App. F. IX-4

1938.
(CS.)

File No. 14-38.

Previous References
CS 11-36 (19, 60, 100, 146, 155, 157, 159
166, 170-174, 177, 178-180,
183, 185, 195, 214, 217, 253, 267, 282)

Serial Nos. 17, 18, 19, 21,
22, 23, 25-44, 51

Later References.
CS. 17-41-7, 10, 15-17, 19(2), 20, 22,-31, 40.

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for Apl 40.

SUBJECT.

Amendment to Rule 6.B. of the Rules under the Mysore Cooperatives Act- re: the retirement of Directors of Cooperative Societies by rotation.

WD 0573—GPB—22,500—12-9-39

G. R. S. APP. F. III—1]

GENERAL AND REVENUE SECRETARIAT. 3612

(bs)

NOTES.

File No. 16-38

FILE HEADING

Rules framed under the Mysore Cooperative Societies Act-

FROM The Registrar Cooperative Societies in Mysore

No. 713 Dated 5-1-39 Received 6-1-39

Diary No. 3612 Enclos. - Spare copies - Serial No. 17

BRIEF ABSTRACT OF LETTER

Requests annexure of Rule 6 (B) of the Rules under the Co. Act to enforce the retirement of the members who have served Continuously for the longest period on the Board of management of Cooperative Societies.

NOTES AND ORDERS.

bs. 11-36 (Note 202)

1) The file leading to the framing of the rule is placed below ~~for~~ for perusal. Statements containing the draft rule originally published, and finally adopted and proposed to be modified are also placed below for reference. The publication of the draft rule in August 1937 for inviting suggestions evoked much comment. Also several suggestions were received. The file was submitted up to the Registrar for obtaining orders on the several suggestions

Flag A

NOTES—First Sheet

WD 0283—GPB—3,750—25-1-38

2

3612

File No. 14 of 193 8 | General and Revenue Secretariat

of the public. He suggests an amended rule (Flag R. Para 4 3 g the Note) After further consideration the rule was finally ordered to be issued as in notification of 30th March 38 (Flag B) and with slight Corrections from time to time was finally adopted as in the notification date 13-8-38.

The Registrar now states that the existing rule allows the Continuance of the vested interests with the result that it is difficult to get any change effected in their working. and suggests the amendment to enforce the retirement of the members who have served Continuously for the longer period.

2) While suggesting the amendment of the rule the Registrar has not clearly defined the term "longer periods". It is not known whether he means "longer Consecutive periods" or "longer periods ~~including the breaks~~" without Consideration of the breaks between. This has to be made clear before the rule is taken up for consideration.

3) A draft enquiring is submitted for orders

For approval

30/1/39

31/1/39 4) Secy: L.S.G.D.

31/1/39

For

1.2.39

Issued vide D 7211 dt 6.2.39. To the Registrar C.S.

Registrar's memo to explain the terms

SECY. LOCAL SELF GVT. 31. JAN. 1939 GOVT OF MYSORE.

GENERAL REVENUE SECRETARIAT. DEVELOPMENT BRANCH.

Rules framed under the Co-operative Societies Act.

3612 / 4371

3

General and Revenue Secretariat | File No. 14 / of 193 8 | [App. F. III—2

Serial No.

Letter No 9402 dated 9-2-39 from the Registrar co-op. forwarding a revised draft rule and explaining the need for longer period.

b) The Registrar has explained the term longer period and has forwarded a revised draft rule. A statement containing the rule as it is and as proposed is placed below. Certain additions are suggested in pencil in the draft proposed by the Registrar are suggested for consideration with a view to make the expression clear. The revised draft rule if accepted will have to be published in the Gazette for inviting objections, and finally some after such objections are received and considered.

7) The revised draft rule is laid for consideration and orders

Sd/- Secy: L.S.G.

25/2/39

SECY. LOCAL SELF GOVT. 27. FEB. 1939 GOVT. OF MYSORE.

SECY. LOCAL SELF GOVT. 26. FEB. 1939

OFFICE SECOND MEMBER Rec. No. 7982

27.2.39

9) 11 member) W. 7/3

27/2/39

Jcy to bring up 1.3

1.3.39

8) Draft notification is laid for approval Other files

3/3/39

NOTE—Contn. Sheet.

WD 0511—GPB—30,000—2-9-38

5509/P

4371

File No. 44 of 193 8. General and Revenue Secretariat

may be sent to the Law Section for framing sections in the draft rule & notification.

4/3/39 Mr

U/S Asst: Secy Law

WK

4/3/39

308

Law

BKR 6.3

13) For the portion in square brackets in red pencil, I would suggest that the following may be substituted

"one Third of the members of the Committee or if their number is not a multiple of three, then the number nearest to one-third shall retire from office, and that the members so to retire every year shall be those who have been longest in office since their last election or appointment, but as between persons who became members of the committee on the same day, those to retire shall be determined by lot. A retiring member shall not be eligible for re-election

BKR 9.3.39

GEN. & REVENUE SECRETARIAT. 10 MAR 1939 DEVELOPMENT BRANCH.

Asst Secy Rly Dept

14) Please put up a revised draft accordingly

WK 10/3/39

4371/Steel 5

Serial No.

Revised draft rule is laid as drafted. It is however seen that while the proposal of the Registrar is to retain "at least one third of the number laid for the Committee" the Law Department suggest "one third of members of the Committee ..... or nearest thereto"

15) The Registrar will, if approved, be consulted
10/3/39 Secy: L.S.G.
11/8/39

16) As it may be considered again.

17) Draft please 13/3
18/3/39

18) Draft Govt
13/3/39

19) Issue
14.3.39

21 No. D 8192 G 17.3.39 To the Regr C.S. for remarks
Govt. Copy off. of the revised rules enclosed to be published.

Letter No 1130 dated 24/3/39 from the Registrar G. stating that the word 'at least' be inserted between the word 'one-third' (held) and 'one third'

20) The Registrar suggests the insertion of the word "at least". Submitted for orders with reference to Paras 13-16 above
3/4/39 21) Secy: L.S.G. 4/4/39

22) may be approved as revised by the Regr C.S.
13/4/39 It member 12/4/39

23) Draft Govt
6/4/39

TYPING SECTION 1-[illegible]-1939 GEN. & REV [illegible]

SECY. LOCAL SELF G[illegible] 5 AP[illegible] GOVT

GEN[illegible] SELF SECRETARIAT 23 MAR 1939 DEVELOPMENT BRANCH.

NUMBER OF [illegible] NOTE—Continuation Sheet. 9.4.87

WD 0544—GPB—30,000—2-3-53

6

SSH 16703

File No. 14 of 193 8. | General and Revenue Secretariat

Sh
Pl advise the compn notification in the file will be issued Labs

Sh 14/4/39 For Perusal before Issue

14.4.39

Secy: L.S.G.

SECY. LOCAL SELF GOVT. 15. APR. 1939 GOVT. OF MYSORE.

17.4.39

Issue

17.4.39

No D 9189 dy 24.4.39 To the Compilation Br 23 notifying the above rule amending Rule 6(B) rel. the appointment of Members to the Committee of Management of C.S. of Dt. Secs Ors.

TYPING SECTION 1939

No D 9190 dy 24.4.39 Copy to Secs → Regr C.S.

GEN. & REVENUE SECRETARIAT 1939

Letter No 306/38-39 dated 16/5/39 from the Registrar Mysore Co-op. Credit Banks forwarding his views on the question of the draft rule sent to above

27) The receipt of other objections will be awaited till 1/7/39. and the question of finally completing the rule will be taken up thereafter

18/5/39

18.5.39

GEN. & REVENUE SECRETARIAT 17 MAY 1939 DEVELOPMENT BRANCH

Amendment of Rule 6 B

6703 / 7188 / 7140 / 7356 / 7366 / 7367

General and Revenue Secretariat — File No. 14 of 193 8. [App. F. III-2

Serial No.	
26	Letter No 11006 dated 2/6/39 from the City Cooperative Bank Ltd Mysore forwarding a note on the amendment of the rule and praying for the retention of the existing rule.
27	Letter dated 7-6-39 from Mr K. Nanjundaiah Bhagavadi praying that the amendment be adopted
28	Letter No 10973 Dated 31-5-39 from the Secy the City Coop Bank Mysore requesting that the note proposed by them may be used at the time of interview with the Members on the subject
29	Letter Dated 16/6/39 from Mr. Y. Srinivasaiengar Mysore furnishing his views on the question and requesting acknowledgement of the letter
Ack dt 19/6/39	
30	Letter No 9520 Dated 16/6/39 from the Secy. the Mysore City Coop Society furnishing their views on the subject
	V) Extract of orders on the letter of the City Coop Bank — DM 7356 - in the file. "Decision after receiving the explanation the proposed amendment may be dropped
	Init P H K 1/6/39 Init H V 2/6/39
	30) Issue acknowledging the letter & Init for signature After issue the papers will be filed. Init for orders
	31) Issue Init 21/6.
	21/6/39

NOTE—Contn. Sheet.

To Mr Y. Srinivasaiengar
D 10720 Dated 23/6/39
Ack dt Acknowledging the letter

8 7367 ~~7463~~ ~~7481~~ ~~7528~~ ~~7577~~ ~~7592~~

68 File No. 16 7594 ~~7595~~ ~~7596~~ of 1938. General and Revenue Secretariat.

	Serial No.
Letter dated 21/6/39 from Mr. N. Madhavachar Director. Hiriyur Coop. Bank Ltd representing that the proposed amendment is suitable	31
Letter No 3085 dated 20/6/39 from the President Executive Committee of the Bangalore city Co-op. Banks Assn opposing the framing of the amendment	32
Letter No. 1675 dated 23/6/39 from the Secy Sirsi Coop. Bank Ltd furnishing the opinion of the Directors of the Bank	33

32) The last date of the receipt of the objections to the draft expires on the 26th inst

33) No receipt of any further objections like that time will be awaited Ltd

24/6/39

26/6.

Sirsi A BEVE... 26/6/39

Letter No 3817 dated 27-6-39 from the Secy Malleswaram Co-op Bank opposing the amendment

Letter No 3104 dated 27-6-39 from the Secy B'lore city H.B. Assn opposing the amendment. Mr S. Nanjundaiah dissenting to the purpose of the Bill

Letter No 11080 dated 25/6/39 from the Secy Bhadravathi Co-operative Bank opposing the amendment

Letter No. 270 dated 25/6/39 from the Secy Central Co-op Bank Ltd stating that no amendment is necessary

Letter dated 26/6/39 from Mr. H. Srikantaiah opposing the amendment of the Rule and Legislation

7597 ✓ 7599 ✓ 7613 ✓ 7635 ✓ 7641 ✓ 7647

Serial No.

Changes in the proposed amendment

Letter No 1308 dated 26/6/37 from the Secy the Coopeative Supply association welcoming the amendment

Letter No 7353 dated 27-6-37 from the President Bangalore Central Coop Bank Opposing the amendment

Letter dated 27-6-37 from Mr. V.S. Sanjivaiah stating that the amendment is unnecessary

Letter dated 27-6-37 from Mr. C.E. Nanjunda suggesting certain alterations in the proposed amendment

Letter No 3859 dated 27/6/37 from the Secy. the Coopeative Federal Union Limited Opposing the amendment

3(a) It is submitted that the framing of the rule is generally opposed. It is only about half a dozen that welcome the change and this too with some modifications in the wording of the rule.

3(b) Messrs. S. Narayanarao and H. Siddaiah suggest that a period may be fixed for the ineligibility of candidates to stand for re-election and Mr Siddaiah says it at three years

3(c) The Mysore Cooperative Society is one of those who favour the rule and suggest the

NOTE—Contn. Sheet.

Amendment of Rule 6 (B) of the Rules
76 Govt Employees Co-op Societies Act

File No. 16 of 1938. | General and Revenue Secretariat.

Serial No.	
	deletion of the last two paras. The deletion of the last two paras is also welcomed by Mr. Ramaiya
	37) The City Cooperative Bank Employees while opposing the rule suggest an amendment to overcome the difficulties. Mr. C. E. Ramaiya while welcoming the change says that the wording of the rule is not happy and suggests the recast of the rule as detailed by him to avoid inconsistencies as far as possible. Flag 'A'
	38) The members of the Committee of Management of the City Coop. Bank Employees entertained the second member of Council on the question of amending the Rule and the decision after receiving the objections was that the proposed rule may be ordered. The date of receipt of the objection expired on 28/6/38. and several suggestions have been received both for and against the proposal. Flag.
	39) It is for consideration and order, whether, unless it is finally decided to drop the amendment, the file may be unofficially sent to the Registrar Co. for going through the objections received on the proposed amendment and suggest a suitable alternative proposal in lieu of the several suggestions received.
	40) In view of the above

16/7/38

764

Amendment of Rule 6 B of the Rules under the Co-op. Act

General and Revenue Secretariat | File No. | of 193 | [App. F. III–2

Serial No.

and shows overwhelming opposition and the decision rather than after hearing the Debate with amendments. The matter may perhaps be dropped

Secy

GENERAL SECRETARY. 18 JULY 1939 418

U1) I agree. This may be submitted to Second Member after his return from Delhi

The 19/7

2nd Member

SECOND MEMBER OF COUNCIL. 31 JULY 1939 No. 568

U2) Copies by the post as desired. Issues with instructions for printing of text & objections received by 15th Sept.

U3) It is stated that the draft Rule 6(B) was first published in August 1937 in accordance with the recommendations of the Committee on Cooperation (Flag B). The Mysore Provincial Cooperative Banks passed resolutions in October 1937 opposing the framing of the Rule (Flag D). Several suggestions and objections were also received. After consideration the rule was finally framed in March 1938 (Flag F) and with certain slight modification was finally adopted in August 1938 (Flag C) A subject was however set at the Provincial Co-op Conference in 1938 but it was lost at the Subject Committee meeting (Flag N) Accordingly to the

NOTE—Contn. Sheet.

Amendment to Rule 6B of the Coop. Rules

764
Dept.

bs File No. 14 of 193 P. | General and Revenue Secretariat.

Serial No.

Suggestions of the Registrar necessitating further amendment to the Rule, the copy of the Rule as further modified was published in April 1939 for inviting opinions (Flag H). Several opinions both for and against were received and are set up below. When the members of the Bihar Cooperative Bank at Mysore interviewed the Secretary Member of Council on the 1st June 1939 it was decided that the proposed amendment may be dropped. (Flag P). As regards the justification or otherwise of the opposition to the proposed amendment third reference is invited to an article by one Mr P.K. Srinivasa Raghavendra on Flag W
"The Cooperative movement" in the May issue of the Indian Journal of Cooperation. a copy of which is placed below for perusal. The point raised in Para 3 is for orders. Submitted

29/8/39 30/8 Asst. Secy 30/8/39

US The deputation which waited on the Secretary Member some time ago represented that the successful working of some of the institutions was entirely due to the enthusiasm displayed & the interest evinced by some of the members & that if such

GENER 31 A J 1939

Announcement of the date relating to the retirement of Directors by rotation — 1964 D

General and Revenue Secretariat. | 65 File No. 1 | of 1938 | AFF 13 | [A pp. F. III-2.

Serial No.

members were 'retiring' by rotation the working of the articles cannot may be seriously handicapped. If under the existing rule, any unsuitable member retires the executive Committee for a period — the Registrar has power under Rule 21 to refer the matter to a meeting. They are so [illegible] that the existing rule provides for the incoming & new Directors — i.e. "new" & "old" members — serving side by side & the working Machine, & it is felt that the proposed amendment is desirable for the present

2nd Amendment)

Kr 31/8/39

Why shd we not recast the rule so as to make it restrictive in application to significant matters, the rest being left alone?

Kr 31/8/39

Brk 31/8

Kr 1/9 Kr 4/9

47 Submitted for 2nd Amendment this may be put at the end of next month

Kr 28/9 Kr 2/9

OFFICE OF MEMBER OF 31 AUG. 1939 No. 1711

Note-Contd. Sheet

828 & 865

File No. 14 of 1939 | General and Revenue Secretariat.

Serial No.

Letter No 6/39-40 dated 31-8-39 from the Editor Indian Journal of Cooperation inviting reference to the article by Mr. Srinivasaraja of Mysore on Rule 4(B) and to the existing work on that subject

4a The article of Mr Srinivasaraja in the August issue has been sent by him to for as a note (vide flag V) It is submitted that the third para of the rule provides for the exemption by Government of Cooperative societies from the operation of the rule. It is thus open to Govt to exempt such societies as they deem fit, from the operation of the rule.

4b The question of retirement of directors by rotation or the prohibition of continuance of the same directors for long periods is one of the subjects to be discussed at the All India Cooperative Conference at Delhi. A copy of the agenda with references marked is placed below for perusal. The results of discussion of the question at the Conference will be watched and further action taken. Submitted.

17/12/39 21/12 Secy

21/12/39

This may be put up about the 10th of next month -

21/12

5) Submitted the file in person to the Secretary Member. He was pleased to direct that in view of the opposition to the amendment, it may be let for the present.

29/3/40

Flag V & VI

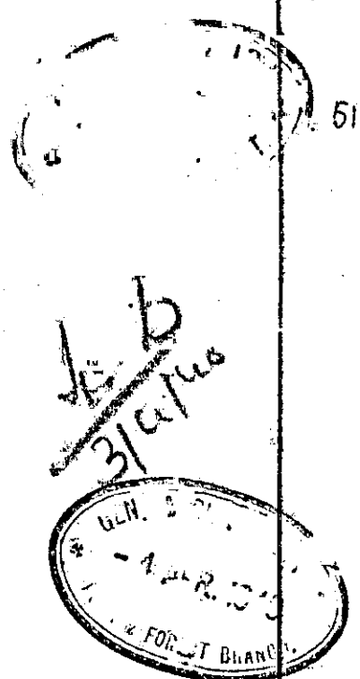
GENERAL SECTION 21 DEC. 1939 CEO 20

General and Revenue Secretariat. | 65 File No. 14 of 1938 | [A pp. F. JH-2

Serial No.

52 Draft Rules to appe
to Hdb
29/3/40
53 Secn

51 AF. 5242 8. 2. 4. 40 To the Registrar. S
States that in view of the opposition to the proposed amendment to Rule 6 B of the Rules under the Coop. Societies Act. it may lie over for the present



NOTE–Contn. Sheet.

C. S. 14-38-17

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

D. O. No. 713

Dated Bangalore, 5th January 193 9

3612

Dear Mr.Krishna Rao,

You are aware that some of the Co-operative Institutions are being managed by the same set of Directors from a long time who have, so to say, created a sort of vested interests in them with the result that their proper working has been hampered and it is difficult to get any changes effected in their working until these persons with vested interests are removed from the - Directorate. With a view to prevent this, Rule 6 B. was proposed but it was opposed and finally it was passed as per Notification No.D.6990/C.S.11-36-253 dated 30th March 1938 and subsequently slightly modified as per No.D.1119 C.S.11-36-282 dated 13th August 1938. This Rule now provides that at least 1/3 of the new Committee should consist of persons who have not served on the Committee during the previous year. It however enables the remaining 2/3 to continue in office. In my opinion it is necessary that the Rule should be so amended as to enforce the retirement of the members who have served continously for the longest period on the Committee. I therefore request that Government may be pleased to amend the Rule as follows:-

"The management of every society situated at District Head-quarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the byelaws of the society and the Rules framed by Government for the conduct of elections. Such byelaws shall make provision to ensure that at the elections so held, persons to the extent of at least a third of the number fixed for the - Committee who have been members of the Committee previously for the longest periods shall not be eligible for re-election and as between two candidates who have been on the Committee for equal

P.T.O.

equal duration, the candidate to be eliminated shall be determined by lot.

The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retirning Directors to - stand for re-election.

Nothing in this rule shall apply to the Apex Bank, the Central Land Mortgage Bank and the Mysore Co-operative Institute and to any other Co-operative institution which may be exempted by Government from the operation of this Rule."

Yours sincerely,

Abdul Wahid

P.H.Krishna Rao,Esq.,M.A.,
Secretary to the Government of Mysore,
Local Self-Government Department, Bangalore.

L.S.5/1.

Appendix F G—1]

18

SUBJECT.....

.....

.....

Section 6.S.

File No. 16-38

Serial No. 18

Diary No. of letter replied to .....

No. D 7211

To The Registrar of Cs.

General and Revenue Secretariat

( )

the *193* .

Sir

Date of issue 6.Feb.39

I have refer to your D.O. letter No 713 dated 5-1-39 re the amendment of Rule 6 (B) of the Rules under the 6.S. Act for the retirement of directors of Cs I am directed to state that it is not clear whether the term amendment whether the term "longest periods means "longest Consecutive periods" or "longest periods without ~~taking~~ Considering of the breaks between" and to request you to kindly explain the term refer to

Signed by [illegible]

List of enclosures.....

Copied by.....

Examined by.....

I forward a form

2.39

Secy L.S.G

30/1/39

WD 0278—GPB—30,000—4-3-38

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 3rd February 1939

No. D 711|C.S/4-38-18

From

The Secretary to the Government of His Highness the Maharaja of Mysore,
Local Self-Government Department.

To

The Registrar of Co-operative Societies
in Mysore, BANGALORE.

Sir,

With reference to your D.O. letter No. 713 dated 5th January 1939 regarding the amendment of Rule 6 (3) of the Rules under the Co-operative Societies Act for the retirement of directors of Co-operative Societies, I am directed to state that it is not clear from the amendment whether the term "longest periods" means "longest consecutive periods" or "longest periods without consideration of the breaks between" and to request you to kindly explain the term referred to .

I have the honour to be,
Sir,
Your most obedient servant,

Dft) 4/2/39

Secretary to Government,
Local Self-Government Department.

Jgn/2.

C.S. 14-38-19

20

GOVERNMENT OF MYSORE.

No. 9412 C. S.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" Bangalore

Dated Bangalore, 9.4 February 193 9.

FROM

M. ABDUL HUKH, ESQ., B.A.,

Registrar of Co-operative Societies in Mysore,

BANGALORE.

SECY. & REVENUE SECRETARIAT. 4371 10 FEB. 1939 DEVELOPMENT BRANCH.

To

P.H.Krishna Rao,Esq.,M.A.,
Secretary to the Government of Mysore,
Local Self-Government Department,Bangalore.

3672 7211

Sir,

With reference to your letter No.7211/C.S.14-38-18 dated 6th February 1939 enquiring whether the term "longest periods" means "longest consecutive periods" or "longest periods without consideration of the breaks between", I have the honour to state that the idea is to prevent the same members continuing on the Committee of a society for long periods without any break. The wording of the Rule may be suitably changed. I, however, suggest the following:-

"The management of every society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the byelaws of the society and the Rules framed by Government for the conduct of elections. Such byelaws shall make provision to ensure that at the elections so held, persons to the extent of at least a third of the number fixed for the committee who have been members of the committee consecutively for the longest periods immediately preceding the elections, without any break of one year and more, shall not be eligible for re-election and as between two (or more) candidates who have been on the committee for equal duration as specified above, the candidate to be eliminated shall be determined by lot.

The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring Directors to stand for re-election.

Nothing inthis rule shall apply to the Apex Bank, the Central

P.T.O.

Central Land Mortgage Bank and the Mysore Co-operative Institute and to any other Co-operative Institution which may be exempted by -- Government from the operation of this Rule."

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.9/2.

Appendix F G—1]

SUBJECT.....

.....

.....

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue.... 17.3.1939

Signed by ..... Mr Htn .....

Please type a copy of the draft rule for us

List of enclosures.....

Copied by.....

Examined by .....

Section bs

File No. 14-38

Serial No. 21

No. B. 8192 Enc. 1

To The Registrar of Cs

Sir

Adverting to your letter No 9412 dated 9-2-39 re the amendment of Rule 8 of the Rules under the Cs Act, I am directed to forward herewith for remarks at an early date the copy of the rules proposed to be published

I have etc

for Secy. 14/3/39

C. S. 14-38-22

GOVERNMENT OF MYSORE.

No. ...1.1.3.0...4... C. S.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" Bangalore

Dated Bangalore, 24th March 193 9.

5544

GEN. & REVENUE SECRETARIAT. 24 MAR 1939 DEVELOPMENT BRANCH.

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

P.H.Krishna Rao,Esq.,M.A.,
Secretary to the Government of Mysore,
Local-Self-Government Department,Bangalore.

Sir,

With reference to your letter No.D.8192/C.S.14-38-21 dated 17th March 1939 forwarding for remarks the draft of the revised Rule 6 B. proposed to be published, I have the honour to state that the words "at least" may be inserted between the words "held" and "one third" in the second sentence of the Rule, beginning with "such byelaws shall make provision". The sentence will read as follows after this change.

"Such byelaws shall make provision to ensure that at the elections so held, at least one-third of the members or if their number is not a multiple of three, then at least the number nearest to one-third shall retire from office,.....
.....by lot.

In other respects the draft appears to be in order.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.24/3.

Appendix F G—1]

SUBJECT..... M .....

.....

.....

12 copies

Section 61
File No. 14-38
Serial No. 23

Diary No. of letter replied to .....

No. D9189

General and Revenue Secretariat

( )

the *193* .

Date of issue.... 22.6.38

Signed by ..... P. Narayanaswami

General information

Notification

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Cooperative Societies Act VII of 1918, as amended from time to time, the Govt of H.H. the Maharaja of Mysore are pleased to publish for a draft rule amending Rule 6 (B) regarding the appointment of members to the Committees of management of Cooperative Societies at District Headquarters.

Any suggestions or objections to the proposed rule may be sent to the Asst. R.C.S. of the District within two months from the date of publication

List of enclosures.....

Copied by.....

Examined by .....

of the notification in the Mysore Gazette
after which the draft rule will be taken up
for consideration

Any suggestion or objection received after the
due date will not be considered by Govt
(Here enter the draft rule as in
the enclosure
~~Under Col 3 on Page 44~~)

B.O
Yours
Secy LSG 4/28/39

To The Controller, Mysore Gazette for publication
in Part IV of the Gazette in English and Kannada
with the request that copies of each of
the notification may be sent to this office

Memo D 9190

Copy of the above is forwarded with
Compliments to the Registrar of Co-op. for
information with reference to his letter No
9412 dated the 9th Feb 193

B.O
Yours
Secy. LSG
4/3/39

Dft Rule 6 B.

26

The management of every Society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the bylaws of the Society and the Rules framed by Government for the conduct of elections. Such bylaws shall make provision to ensure that at the elections so held at least one third of the members of the committee or if their number is not a multiple of three, then at least the number nearest to one third shall retire from office, and that the members so to retire every year shall be those who have been longest in office since their last elections or abbreviations, but as between persons who became members of the Committee on the same day those to retire shall be determined by lot. A retiring member shall not be eligible for re-election"

The Registrar may in the case of any Society in which he considers that facilities for the enforcement of such restrictions do not exist permit all or any of the retiring members of the committee to stand for re-election.

Nothing in this rule shall apply

to the African Banking Corporation Central Land Mortgage Bank and the Mysore Cooperative Institute and to any other Cooperative institution which may be exempted by Government from the operation of this rule

The Registrar may in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring members to stand for re-election.

Nothing in this rule shall apply to the Apex Bank, the Central Mortgage Bank and the Mysore Co-operative Institute and to any other co-operative institution which may be exempted by Government from the operation of this rule.

By order,

Secretary to Government,
Local Self-Government Department.

To

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette in English and Kannada with the request that 50 copies of each of the notification may be sent to this office.

F.M.

Government of Mysore, Department of Revenue,
General and Urban Secretariat,
Dated, Bangalore, 24th April 1953

D.9189/G 14-38-2

Notification.

In exercise of the powers vested in them under section 44 (6)(qq) of the Mysore Co-operative Societies Act VII of 1959 as amended from time to time, the Government of Mysore are pleased to publish for general information a draft rule amending rule 9 (6) regarding the appointment of members to the Committees of Management of Co-operative Societies at District Head Quarters.

Any suggestions or objections to the proposed rule may be sent to the Secretary to Government, Local Self-Government Department within two months from the date of publication of the notification in the Mysore Gazette after which the draft rule will be taken up for consideration.

Any suggestion or objection received after the said date will not be considered by Government.

Draft Rule 9 (6) - The management of every Society situated at District Head Quarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the bye-laws of the Society and the rules framed by Government for the conduct of elections. Such bye-laws shall make provision to ensure that at the elections so held at least one third of the members of the Committee or if their number is not a multiple of three then at least the number nearest to one-third shall retire from office, and that the members so to retire every year shall be those who have been longest in office since their last elections or appointment but as between persons who became members of the Committee on the same day those to retire shall be determined by lot. A

NOTIFICATION.

No. D. 9189—*Cs.* 14-38-23, *dated Bangalore* 19—24*th April* 1939.

In exercise of the powers vested in them under Section 44 (2) (*g*) of the Mysore Co-operative Societies Act VII of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information a draft rule amending Rule 6 (B) regarding the appointment of members to the Committees of Management of Co-operative Societies at District Headquarters.

Any suggestions or objections to the proposed rule may be sent to the Secretary to Government, Local Self-Government Department, within two months from the date of publication of the notification in the *Mysore Gazette* after which the draft rule will be taken up for consideration.

Any suggestion or objection received after the due date will not be considered by Government.

"*Rule* 6 (*B*).—The management of every society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the bye-laws of the society and the rules framed by Government for the conduct of elections. Such bye-laws shall make provision to ensure that at the elections so held at least one-third of the members of the Committee or if their number is not a multiple of three then at least the number nearest to one-third shall retire from office, and that the members so to retire every year shall be those who have been longest in office since their last elections or appointment but as between persons who become members of the Committee on the same day those to retire shall be determined by lot. A retiring member shall not be eligible for re-election."

The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring members to stand for re-election.

Nothing in this rule shall apply to the Apex Bank, the Central Mortgage Bank and the Mysore Co-operative Institute and to any other co-operative institution which may be exempted by Government from the operation of this rule.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

Printed by the Superintendent at the Government Press, Bangalore.

No..... Cs 14-38-25 Date.....

ನಂಜನಗೂಡು ಕೋ-ಆಪರೇಟಿವ್ ಕ್ರೆಡಿಟ್ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್.

NANJANGUD CO-OPERATIVE CREDIT BANK, LTD.

From, The President

~~THE SECRETARY~~,

CO-OPERATIVE CREDIT BANK LTD.,

NANJANGUD.

To

THE SECRETARY TO GOVERNMENT,

LOCAL SELF GOVERNMENT,

IN MYSORE,

BANGALORE.

No 306
38-39

SECY. LOCAL SELF GOVT
15 MAY 1939
GOVT OF MYSORE

GEN. REVENUE & LOCAL TAXES
6703
DEVELOPMENT BRANCH

Sir,

I wish to bring the following defect in draft Rule amending rule 6 (8) regarding the appointment of members to the Committee of management of Co-Operative Societies at District Head Quarters published in Mysore Gazette on 24the April 1939 in NO.D. 9189 Cs 14-38-23 where in it is published that " One third of the Members of the Committee shall retire from Office ..... A retiring member shall not be eligible for re-election."

This is no doubt a Sprit of Democracy in the constitution of the Societies, but I humbly suggest that democracy is failing everyw here. To-Day every democracy is nothing but either autocracy or benevolent autocracy. I prefer benevolent autocracy to democracy which is failing everywhere.

In the name of democratic sprit, the Government are curtailing the power of voters, who will have no liberty to elect any body they want.

There are experienced Directors who know the full history of the Societies. There are Directors who are looking after the Societies as their own Children. There are enemies of the Societies for example, bad debtors, who always wish for the ruin of the Societies.

To No..... Date.....

ನಂಜನಗೂಡು ಕೋ-ಆಪರೇಟಿವ್ ಕ್ರೆಡಿಟ್ ಬ್ಯಾಂಕ್, ಲಿಮಿಟೆಡ್.

NANJANGUD CO-OPERATIVE CREDIT BANK, LTD.

From

THE ~~SECRETARY~~, president
CO-OPERATIVE CREDIT BANK LTD.,
NANJANGUD.

To

Secretary to Government
Local self-Government
Mysore, Bangalore

-2-

Sir,

The Government are well aware that the popular feelings can be easily raised by some scandal-mongers, who can certainly use the above draft rule for their own selfish ends. It will give a handle to those who are financially ruined and want to help themselves. The Government are also well aware that certain selfish-fellows ~~who~~ will be easily elected in the name of some popular institution. In short the above said Draft Rule will place a check on the groath of the Societies and sometimes it may even ruin some of them.

If a director is popular, honest and efficient, I do not know why such person should not continue in the Directorate with the strength of the popular will. I think it will be a true sprit of democracy.

For the reasons set forth supra, I humbly suggest that the above draft rule is unsuitable to the present atmosphere of politics.

I beg to remain,

SIR,

Your Most Obedient Servant.

NANJANGUD.
Date. 13.3.1939.

M. L. Liverpool
advocate & president.

C.S. 14-38-26.

The City Co-operative Bank, Limited, Mysore.

Established in 1910

NEW CURZON PARK ROAD,
MYSORE,

All Communications to be addressed to
"THE HONORARY SECRETARY"

In reply please quote
No. 11002.

Dated, 1-6-1939.

SECY. LOCAL SELF GOVT. 6 JUN 1939 GOVT OF MYSORE

GEN. & REVENUE SECRETARIAT. 7/38 JUN 1939 DEVELOPMENT BRANCH.

The Honorary Secretary,
City Co-operative Bank, Ltd.
Mysore.

To

The Secretary to Government,
Local Self-Government Department,
Bangalore. (Camp Mysore).

Ref:-Amendment to Rule 6(B) published in the Mysore Gazette dated 27-4-1939.

Sir,

I have the honour to enclose, herewith, a copy of the objections regarding the above and the suggestion of a modified rule 6(B) in place of the ~~existing one~~ above rule. These objections and suggestions have been considered by the Board of Directors of this Bank in their meeting of 27-5-1939 and were passed unanimously by the Board.

In view of the above objections and difficulties, I request you to kindly recommend to the Govt for the retention of the existing rule ~~6(B) or for the framing of the rule as suggested by this Bank.~~

(Enc. 2)

I have the honour to be,
Sir,
Your most obedient Servant.

O. Shahmal

Honorary Secretary.

TCV/1-6.

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THE CITY CO-OPERATIVE BANK,LTD.
MYSORE.

DRAFT OF OBJECTIONS AND SUGGESTIONS TO
THE PROPOSED AMENDMENT OF RULE 6(B).

-:oOo:-

The draft rule published in Part IV of the Mysore Gazette of the 27th April 1939 is substantially the same as Draft rule 6(3) published in Part IV of the Mysore Gazette of the 5th August 1937. A brief history of the origin and development of the rule is necessary to appreciate the suggestions and objections to the rule.

Without going very far back it is sufficient to start with the proceedings of the Mysore Provincial Co-operative Conference held in the year 1934. In that Conference the subject of placing restrictions on members who are on the Managing Committees of Societies for long periods regarding their eligibility for re-elections was considered and the opinion of the Conference was against debarring any person from standing for re-election simply because he had served the longest term on the Committee of Management.

Passing on to the report of the Committee on Co-operation in Mysore published in the year 1936, it is seen that at page 33 of the report the Committee observe as follows:-

" The period for which a Committee is elected should not as a rule exceed one year; and members should be advised at General Meetings to exercise their power of choice freely. As a safeguard against the same Committee continuing in office for long periods and at the same time in order to ensure the advantage of experience and some continuity of policy, the bye-laws of Societies should provide for the compulsory retirement by rotation of a certain proportion

(between a third and a fourth) of Committee Members every year and their replacement by new members. The method of selection for retirement will be determined by the bye-laws of each society. An exception to this may, however, be allowed in the case of societies where the needful facilities for change do not obtain."

Regarding urban societies to which the proposed draft rule applies, the Committee on Co-operation at page 37 of the report observe as follows:-

" On the otherhand, their (urban Co-operative Societies) only apparent difference from Joint Stock Banks is that borrowers are compelled to purchase shares."

From the two passages quoted above it is clear that the Committee on Co-operation have after due deliberation come to the conclusion that urban credit societies are very similar to Joint Stock Banks, that the same Managing Committee should not continue for long periods, that advantage of experience should be ensured, that by rotation a certain proportion of sitting members must be replaced by new members and that the members of the society should in regard to the election of members to the Managing Committee exercise their choice freely. It is thus seen that the Committee on Co-operation objected only to the same Committee of Management continuing in office " en bloc " for a number of years but not to some members of the Committee continuing in office for any lenth of time if the General Body is in exercising their choice freely chose to elect them year after year.

Urban Co-operative Credit Societies carry on business mostly by attracting large deposits. In addition to safeguarding the interests of the members the interests of the depositors must be very carefully safeguarded by the Managing Committee. Needless to say that, other things being equal, men of the longest experience can function better than

others on the Managing Committee. Almost all Urban Societies are managed by a Committee consisting of a President, Vice-President and Honorary Secretary and a number of members. The day to day administration is carried on by the Honorary Secretary. The maximum term of a Secretary is 3 years provided that he is elected to the Managing Committee by the General Body and the Managing Committee elects him. It is also possible that the Honorary Secretary changes every x year. Under these circumstances the presence of men of long experience, capacity and record of good work to their credit is very essential for efficient and sound management and for wholesome continuity of policy. It is only the presence of such members on the Board of Management that can inspire confidence in the minds of Depositors.

The same members of the Committee of Management cannot continue for ever. In course of time they have to vacate office for various causes. If all or a large number of experienced members vacate office simultaneously the Society will lose the advantage and benefit of experience and continuity of policy. To safeguard against such contingency and also to introduce new thoughts and ideas, it is better that a few new members are elected to the Managing Committee every year. This principle of introducing new members into the Managing Committee every year is recognised and its wholesomeness has not been questioned. But in giving effect to this principle, it is not necessary to exclude members whose standing is longest.

The Committee on Co-operation have emphasised the fact

37

fact that a Co-operative Institution is a democratic institution; and they are reluctant to curtail the rights of the general body. In the passage already quoted they have said in connection with the election of members of the Managing Committee that "members should be advised at general meetings to exercise their choice freely." When a certain number of seats are set apart for new entrants the remaining number has to be filled up from among the candidates in the usual order of their securing votes. To depart from this rule and to say that those who have been on the Managing Committee for the longest term have to retire even though the General Body chooses to elect them with the largest number of votes would be to restrain the members of the General Body from exercising their power of choice freely. When candidates possess the qualifications prescribed for membership on the Managing Committee the only available test as to which of them commands the largest confidence of the general body is the number of votes secured by him. Even assuming that the general body committed a mistake in electing a person with the largest number of votes at a particular election, such mistake can be rectified soon by not voting for ~~him~~ at the next election which comes off only a year later. If persons who are likely to be returned with the largest number of votes are debarred from serving on the Managing Committee, because they have already served for long periods, then the general body would be forced to get the Society managed by those who may not command their largest confidence.

The Committee on Co-operation have, in the passage already quoted, opined that bye-laws of societies should ~~xx~~ provide for the compulsory retirement by ~~x~~ rotation of a certain proportion of Committee members every year and their replacement by new members. They have left it to

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the general body of each society to frame bye-laws for giving effect to the principle of taking new members every year to the Managing Committee in any way, which the general body considers suitable. The democratic principle on which societies must work is thus reiterated.

The Government Order No.D.1113 C.S.11-36-144 dated 31-7-1937 on the report of the Committee on Co-operation is to the effect that bye-laws of Societies should provide for the compulsory retirement by rotation of certain proportion of Committee members every year and their replacement by new members. It is seen that this Government Order has accepted the recommendation of the Committee on Co-operation without any qualification or change so far as the matter of electing new members every year to the Managing Committee is concerned. The right of the general body to frame its own bye-laws is thus well recognised.

Almost by way of augmenting rule No.6(1)(c) the Government published draft rule 6(3) in the Mysore Gazette of 5th August 1937 and invited suggestions and objections regarding the draft rule. The City Co-operative Bank,Ltd., Mysore sent its resolution dated 29-8-1937 together with a covering letter giving reasons for the resolution and also pointing out that the Bank had already framed a bye-law viz.,Bye-law No.51 in which the principle of introducing new members every year is recognised and given effect to.

Next the Government made Sub-Rule 6(B) in the following terms, " The Management of every society situated at District Head quarters shall vest in a Committee consisting of not less than five and not more than fifteen elected in accordance with the bye-laws of the Society. Such bye-laws shall make provision to ensure that not less than one-third of the total number of members of the Committee shall

be

persons who have not served at any time during the previous years on the Committee of Management", and published it in the Mysore Gazette of 7th April 1938. Later by a correction published in the Gazette of 5th May 1938, the phrase "previous years" in the rule was changed to "Previous year".

As stated at the outset the present draft rule 6(B) published in the Mysore Gazette of 27th April 1939 is very similar to draft rule 6(3) objections to which were considered and which after consideration resulted in rule ~~f~~ 6(B) now in force. Since 30th March 1938- the date of making rule 6(B)- circumstances have not changed so ~~far~~ as to go back to the method of retirement and of placing restrictions regarding eligibility for re-election enunciated in the draft rule 6(3) published in the Mysore Gazetter of 5th August 1938. Conditions which outweigh the objections to draft rule 6(8) and the considerations which led to the change of draft rule 6(3) to rule 6(B) have not arisen. Neither has the Government given any reason for now intending to change the present rule which has worked hardly for a year.

The ~~wa~~ wording of the draft rule amending rule 6(B) is not clear. The phrase " and that the members so to retire every year shall be those who have been longest in office since their last elections or appointment", is not happy. Every year there will be elections. At the end of the year and by the time of the next elections all the members will be of equal standing, since their last elections, unless, of the members elected, some have ceased to be members of the Managing Committee and their places are filled up by the remaining members in which case the newly substituted or appointed member will be of a shorter standing than the originally elected members. When all the members are of equal standing since their last election it is only by lot that a third or any number nearest to a third has to

retire.

The draft rule says that " a retiring member shall not be eligible for re-election". Does it mean that he is not eligible for election in all future elections or only in the immediate next? That is, can a member who has retired stand for election f after ceasing to be a member for one year? As between two candidates one of whom has been in office for ten consecutive years and another for a total number of 11 years after 4 or 5 intervals, who is the one that is longer in office according to the draft rule? Such anamolies would arise if the proposed amendment would become the rule.

As already stated the reasons for the Government now proposing an amendment to the existing rule 6 (B) are not mentioned. If the reason is that some societies have not framed bye-laws as required by rule 6(B) and if the Government feel that the case of such societies cannot be met except by making an amendment of the rule 6(B) then it could be done in a w ay different from the one now proposed. The proposed amendment will cause great hardships and inconveniences and will not be conducive to the sound management of the societies which have framed their own bye-laws to give effect to the principle enunciated in 6(B). To protect such societies from coming under the operation of the proposed amendment to rule 6(B) and at the same time to meet the cases of societies which may not have framed any bye-laws at all to give effect to the principle of the present rule 6(B) the following amendment is suggested:-

"The Management of every society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen members, elected annually in accordance with the bye-laws of the society and the rules framed by the Government for the conduct of the elections. Of the members elected at least one-third or if the number of

members

(4)

of the Committee is not a multiple of three then at least the number nearest to a third shall be persons who have not served at any time ~~time~~ during the previous year on the Committee of Management. Each society shall frame bye-laws in order to ensure the election of atleast one-third or a number nearest to a third of members who have not served at any time during the previous year.on the Committee of Management. In the absence of any such bye-laws of the society making provision, in any manner the society likes to ensure the election of the abovesaid number of members who have not served at any time during the previous year on the Committee of Management, a number equal to the abovesaid number of members who have been longest in office shall retire for one year and shall not be eligible for re-election during that year. As between persons who become members of the Committee on the same day those to retire shall be determined by lot."

"The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring members to stand for re-election."

" Nothing in this rule shall apply to the Apex Bank, The Central Mortgage Bank and the Mysore Co-operative Institute and to any other Co-operative Institution which may be exempted by Government from the operation of this rule."

A copy of the objections submitted by this Bank to the draft rule 6 (3) in the year 1937 is submitted herewith. It may be taken as part of this note.

* * * * *

TGV/-

The City Co-operative Bank, Limited, Mysore.

Established in 1910

NEW CURZON PARK ROAD,
MYSORE,

All Communications to be addressed to
"THE HONORARY SECRETARY"

In reply please quote
No......

Dated, ...

THE CITY CO-OPERATIVE BANK LTD., MYSORE.

Resolution No. IV (2) passed at the Meeting of the Board of Directors of the Bank held on 29-8-1937.

-:oCo:-

" Though the Bank agrees to the principle of a certain number of new members being introduced to the Directorate every year, the Bank cannot accept the method of elimination of a certain number of said directors as suggested in the draft rule. This resolution might be forwarded to the Government with a letter embodying the reasons for the same and also pointing out the defects in the wording of the rule."

I The recommendation of the Committee on Co-operation in Mysore is as follows:-

" A safeguard against the committee members continuing in office for long periods and at the same time in order to ensure the advantage of experience and continuity of policy, the Bye-laws of societies should provide for the compulsory retirement by rotation of certain proportion (between 3rd and 4th) of the committee members every year and their replacement by new members. The method of selection for retirement will be determined by bye-laws of said societies." The Government order on the Committee's Report No. J 1113 C.D. 11-33-144 dated 31-7-1937 is to the effect that bye-laws of societies should provide for the compulsory retirement by rotation of certain proportion of committee members every year and their replacement by new members.

W3

Neither the Government Order nor the Committee's recommendation has been to the effect that a disability should be placed preventing the oldest members on the Committee from seeking re-election. The present rule is, therefore, not in accordance with the principles or the spirit underlying recommendation and Orders of the Government thereon. The present proposed draft rule 6 (3) works out a great hardship in insisting upon the oldest members not merely to retire, but also ~~not to seeking~~ re-election till perhaps all the other committee members of the society should have put in similar period of service on the Managing Committee. The draft rule as at present worded is not clear as to whether the discontinuance of a member for one year on the Managing Committee would enable him to seek re-election for next year, if other candidates should have put in lesser number of service on the Managing Committee.

II Co-operative Institutions, being institutions functioning on democratic lines should conform to principles of democracy. The first and fundamental principle of a Co-operative institution is that the members of a co-operative institution should have a free and unfettered choice to elect from among themselves persons to the committee of Management in whom they have utmost confidence. An inroad upon the rights of the share holders of a society who have got right to choose those whom they consider best fitted and qualified to guard and promote their interests, can only be justified if the present system of unfettered choice has led to any abuses and requires restrictions. The recent Mysore Co-operative Enquiry Committee has pointed out in their report that in certain societies the

the same Committee has continued in office for long periods, thus preventing new members entering the Committees and gaining experience of the management, and the Committee has suggested as a safeguard that each Society should frame bye-laws about the method of selection for retirement of old members and their replacement by new members. The draft rule now published by Government as draft rule 6(3) is intended to give effect to this recommendation. In the first place the draft rule points out only one method and that by the retirement of three persons who have been members of the Committee previously for the longest periods. The Mysore Co-operative Enquiry Committee has not recommended this as the only method to be adopted as suggested in the draft rule. The Committee gives the choice to every Society to frame bye-laws providing for a definite proportion of old members being replaced by new members every year on the Committee of Management. This can be done by other methods than the one proposed by the draft rule. Moreover to say that a person who has served the longest period on the Committee should be debarred and not be eligible for re-election whatever his capacity and previous work in the Society might be, is surely unjust and unfair to a person who might have served the Society faithfully and conscientiously for a number of years, and who may be returned with the highest number of votes if he should be allowed to seek re-election. Long period service should not as a matter of course be a disqualification for re-election provided he by his capacity and previous work can command the confidence of the general body of members.

III. The proposed rule prevents experienced people serving on the Committee by seeking re-election. This would be to the detriment of the Institutions concerned. The sanction of the Registrar which is recommended for the solution

105

of the difficulty will not be of much avail as many persons and many institutions may not like to seek such permission as it happened in regard to the rule that till now prevailed with regard to Government servants standing for election to Managing Committees.

Such a question arose long ago in Mysore City in the City Co-operative Bank and after a good deal of discussion and deliberation, the Mysore City Co-operative Bank has adopted a bye-law which is as follows.-

Bye-law No. 31. " The Management of the Bank shall vest in a Board consisting of not more than twenty directors fifteen of whom shall be elected by voting-by-ballot at an annual general meeting from amongst the members residing in Mysore City who are not defaulters on the date of application or nomination and who have three days previous to the annual general meeting intimated to the Directors their willingness to stand for election or been nominated by at least two members. Four of the fifteen so elected there are not atleast five members who were not on the Board in the previous year, as many of the old directors who get the least number of votes shall be replaced by an equal number of new directors in order of the number of votes obtained to make up the number of five. In the case of a tie selections shall be made by lot by the tellers. The remaining five directors or a smaller number may be elected by the Board of Directors themselves from among the members possessing similar qualifications as may become necessary from time to time. "

IV. Every year when a number of candidates over and above the number required for the Managing Committee stand for xx election the necessary number is selected from among those who command the highest confidence of the general body of members which is signified by the number of votes secured by each successful member. It is but right and proper that the persons who should give room to new members should be those who command the least confidence of the general body of members and not arbitrarily fixing it as members who have served the longest period though they may command the entire confidence of the general body. The bye-law of the Co-operative Bank as quoted above not only enables

members who command the utmost confidence of the general body to continue to serve the Bank but at the same time ensures a definite proportion of new members coming into the committee every year thus giving opportunities to new members to get into Committees and show their capacity and worth by their work. After all a Society should be managed by persons in whom the general body has complete confidence. The equitable principle involved in this bye-law having been recognised by other large and influential co-operative institutions in this City has been adopted by those institutions also and this system has been working very smoothly giving satisfaction all round.

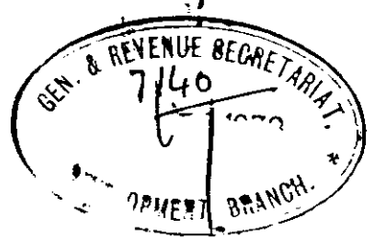
V. It is not suggested that the above bye-law is the only method to be prescribed but it is suggested that the draft rule to be so amended as to give each individual society the choice of framing a bye-law either in accordance with the method prescribed in the draft rule or according to the bye-law of the City Co-operative Bank mentioned above or any other method which would ensure the principle of a certain proportion of new members replacing every year a certain proportion of old members on the Committee of Management.

This subject was considered at the Provencial Conference held in 1934 at Mysore and the opinion of the Conference was against debarring any person from standing for re-election simply because he has served the longest term on the Committee of Management.

So, it is recommended that draft rule 6 (3) be modified and enacted as follows:-

"The Management of every society situated at District Head Quarters shall vest in a Committee consisting of not more than 15 and not less than 5 members who shall be elected in accordance with such rules as may be provided under the bye-laws of the society, subject to the condition that such bye-laws should make a provision that the Committee of Management should include a certain definite proportion of new members every year who have not served in the previous year on the Committee of Management."

Cs 14-38-27



From

K.Narayana Setty,

Director, Provincial Co-operative Apex Bank, Ltd

and Member of the Governing Body of the

Co-operative Institute, M A G A D I.

To

The Secretary,

Local Self Government,

Bangalore

Sir,

With reference to notification No. D.9189-Cs.14-38-23 dated Bangalore 19-24th April 1939 in the Mysore Gazette dated 27th April 1939 publishing a draft rule amending Rule (6B) regarding the appointment of members to the Committees of Management of Co-operative Sicieties etc., etc., I beg to submit the following for your reconsideration and necessary amendment.

In Rule 6(B) it has been stated in the last sentence of the paragraph as 'A RETIRING MEMBER SHALL NOT BE ELIGIBLE FOR RE-ELECTION" and this should be amended as A RETIRING MEMBER SHALL BE ELIGIBLE FOR RE-ELECTION". The reason for this is that in the month of May the selection of the Committee members of the Sree Rama Co-operative Stores, Magadi was fixed and the said selection has been conducted on that day by appointing only the previous members as fresh applications for membership was not received and none submitted application for the same. I think that this fate might have befallen to may other co-operative Societies. Hence I pray that the above amendment may kindly be inserted.

I beg to remain,
Respected sir,
Your most obedient servant.

Bangalore City,
7th June 1939

K. Narayana Setty

CS 14-38-28

The City Co-operative Bank, Limited, Mysore.

Established in 1910

NEW CURZON PARK ROAD,
MYSORE,

All Communications to be addressed to "THE HONORARY SECRETARY"

In reply please quote No. 10973

Dated, 31st May 1939

From,

P. Sita Ramiah, Esq., B.A., B.L.,
Honrary Secretary,
City Co-operative Bank, Ltd.,
MYSORE

GEN. SECRETARIAT. AVENUE 2356 19-6-39 DEVELOPMENT BRANCH

To,

P.H. Krishna Rao, Esq., M.A.,
Secretary to Government ~~of~~
Local Self-Government Department,
MYSORE. (Camp)

Reference: Amendment of Rule 6 (B) published in the Gazette dated 27th April 1939.

Sir,

I have the honour to enclose, herewith, a note of objections regarding the proposed Rule 6 (B) and at the same time of a modified rule in its place.

The above note has been duly considered by the Board of Directors of this Bank at their meeting held on 28-5-1939 and it has been unanimously approved of by the said Board.

May I request that this note may kindly be made use of when the Second Member of Council is meeting the Deputation of this Bank, to-morrow at 9-30 A.M. at Padmalaya, Mysore?

I have the honour to be,
Sir,
Your most obedient servant,
P. Sitaramaiah 31.5.39
Honorary Secretary

ANN.

The City Co-operative Bank, Limited, Mysore.

Established in 1910

All Communications to be addressed to "THE HONORARY SECRETARY"

In reply please quote No.

NEW CURZON PARK ROAD,
MYSORE,

Dated,

DRAFT OF OBJECTIONS AND SUGGESTIONS TO THE PROPOSED AMENDMENT OF RULE 6(B).

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The draft rule published in Part IV of the Mysore Gazette of the 27th April 1939 is substantially the same as Draft rule 6(3) published in Part IV of the Mysore Gazette of the 5th August 1937. A brief history of the origin and development of the rule is necessary to appreciate the suggestions and objections to the rule.

Without going very far back it is sufficient to start with the proceedings of the Mysore Provincial Co-operative Conference held in the year 1934. In that Conference the subject of placing restrictions on members who are on the Managing Committees of Societies for long periods regarding their eligibility for re-elections was considered and the opinion of the Conference was against debarring any person from standing for re-election simply because he had served the longest term on the Committee of Management.

Passing on to the report of the Committee on Co-operation in Mysore published in the year 1936, it is seen that at page 33 of the report the Committee observe as follows:-

" The period for which a Committee is elected should not as a rule exceed one year; and members should be advised at General Meetings to exercise their power of choice freely As a safeguard against the same Committee continuing in office for long periods and at the same time in order to ensure the advantage of experience and some continuity of policy, the bye-laws of Societies should provide for the compulsory retirement by rotation of a certain proportion

(9)

(between a third and a fourth) of Committee Members every year and their replacement by new members. The method of selection for retirement will be determined by the bye-laws of each society. An exception to this may, however, be allowed in the case of societies where the needful facilities for change do not obtain."

Regarding urban societies to which the proposed draft rule applies, the Committee on Co-operation at page 37 of the report observe as follows:-

" On the otherhand, their (urban Co-operative Societies) only apparent difference from Joint Stock Banks is that borrowers are compelled to purchase shares."

From the two passages quoted above it is clear that the Committee on Co-operation have after due deliberation come to the conclusion that urban credit societies are very similar to Joint Stock Banks, that the same Managing Committee should not continue for long periods, that advantage of experience should be ensured, that by rotation a certain proportion of sitting members must be replaced by new members and that the members of the society should in regard to the election of members to the Managing Committee exercise their choice freely. It is thus seen that the Committee on Co-operation objected only to the same Committee of Management continuing in office " en bloc " for a number of years but not to some members of the Committee continuing in office for any lenth of time if the General Body ~~is~~ in exercising their choice freely chose to elect them year after year.

Urban Co-operative Credit Societies carry on business mostly by attracting large deposits. In addition to safeguarding the interests of the members the interests of the depositors must be very carefully safeguarded by the Managing Committee. Needless to say that, other things being equal, men of the longest experience can function better than others

51

others on the Managing Committee. Almost all Urban Societies are managed by a Committee consisting of a President, Vice-President and Honorary Secretary and a number of members. The day to day administration is carried on by the Honorary Secretary. The maximum term of a Secretary is 3 years provided that he is elected to the Managing Committee by the General Body and the Managing Committee elects him. It is also possible that the Honorary Secretary changes every x year. Under these circumstances the presence of men of long experience, capacity and record of good work to their credit is very essential for efficient and sound management and for wholesome continuity of policy. It is only the presence of such members on the Board of Management that can inspire confidence in the minds of Depositors.

The same members of the Committee of Management cannot continue for ever. In course of time they have to vacate office for various causes. If all or a large number of experienced members vacate office simultaneously the Society will lose the advantage and benefit of experience and continuity of policy. To safeguard against such contingency and also to introduce new thoughts and ideas, it is better that a few new members are elected to the Managing Committee every year. This principle of introducing new members into the Managing Committee every year is recognised and its wholesomeness has not been questioned. But in giving effect to this principle, it is not necessary to exclude members whose standing is longest.

The Committee on Co-operation have emphasised the fact

52

fact that a Co-operative Institution is a democratic institution; and they are reluctant to curtail the rights of the general body. In the passage already quoted they have said in connection with the election of members of the Managing Committee that "members should be advised at general meetings to exercise their choice freely." When a certain number of seats are set apart for new entrants the remaining number has to be filled up from among the candidates in the usual order of their securing votes. To depart from this rule and to say that those who have been on the Managing Committee for the longest term have to retire even though the General Body chooses to elect them with the largest number of votes would be to restrain the members of the General Body from exercising their power of choice freely. When candidates possess the qualifications prescribed for membership on the Managing Committee the only available test as to which of them commands the largest confidence of the general body is the number of votes secured by him. Even assuming that the general body committed a mistake in electing a person with the largest number of votes at a particular election, such mistake can be rectified soon by not voting for ~~him~~ at the next election which comes off only a year later. If persons who are likely to be returned with the largest number of votes are debarred from serving on the Managing Committee, because they have already served for long periods, then the general body would be forced to get the Society managed by those who may not command their largest confidence.

The Committee on Co-operation have, in the passage already quoted, opined that bye-laws of societies should ~~xx~~ provide for the compulsory retirement by ~~x~~ rotation of a certain proportion of Committee members every year and their replacement by new members. They have left it to

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the general body of each society to frame bye-laws for giving effect to the principle of taking new members every year to the Managing Committee in any way, which the general body considers suitable. The democratic principle on which societies must work is thus reiterated.

The Government Order No.D.1113 C.S.11-36-144 dated 31-7-1937 on the report of the Committee on Co-operation is to the effect that bye-laws of Societies should provide for the compulsory retirement by rotation of certain proportion of Committee members every year and their replacement by new members. It is seen that this Government Order has accepted the recommendation of the Committee on Co-operation without any qualification or change so far as the matter of electing new members every year to the Managing Committee is concerned. The right of the general body to frame its own bye-laws is thus well recognised.

Almost by way of augmenting rule No.6(1)(e) the Government published draft rule 6(3) in the Mysore Gazette of 5th August 1937 and invited suggestions and objections regarding the draft rule. The City Co-operative Bank,Ltd., Mysore sent its resolution dated 29-8-1937 together with a covering letter giving reasons for the resolution and also pointing out that the Bank had already framed a bye-law viz.,Bye-law No.51 in which the principle of introducing new members every year is recognised and given effect to.

Next the Government made Sub-Rule 6(B) in the following terms, " The Management of every society situated at District Head quarters shall vest in a Committee consisting of not less than five and not more than fifteen elected in accordance with the bye-laws of the Society. Such bye-laws shall make provision to ensure that not less than one-third of the total number of members of the Committee shall

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persons who have not served at any time during the previous years on the Committee of Management", and published it in the Mysore Gazette of 7th April 1938. Later by a correction published in the Gazette of 5th May 1938, the phrase "previous years" in the rule was changed to "Previous year".

As stated at the outset the present draft rule 6(B) published in the Mysore Gazette of 27th April 1939 is very similar to draft rule 6(3) objections to which were considered and which after consideration resulted in rule 6(B) now in force. Since 30th March 1938- the date of making rule 6(B)- circumstances have not changed so as to go back to the method of retirement and of placing restrictions regarding eligibility for re-election enunciated in the draft rule 6(3) published in the Mysore Gazetter of 5th August 1938. Conditions which outweigh the objections to draft rule 6(3) and the considerations which led to the change of draft rule 6(3) to rule 6(B) have not arisen. Neither has the Government given any reason for now intending to change the present rule which has worked hardly for a year.

The wording of the draft rule amending rule 6(B) is not clear. The phrase " and that the members so to retire every year shall be those who have been longest in office since their last elections or appointment", is not happy. Every year there will be elections. At the end of the year and by the time of the next elections all the members will be of equal standing, since their last elections, unless, of the members elected, some have ceased to be members of the Managing Committee and their places are filled up by the remaining members in which case the newly substituted or appointed member will be of a shorter standing than the originally elected members. When all the members are of equal standing since their last election it is only by lot that a third or any number nearest to a third has to

retire.

55

The draft rule says that " a retiring member shall not be eligible for re-election". Does it mean that he is not eligible for election in all future elections or only in the immediate next? That is, can a member who has retired stand for election after ceasing to be a member for one year? As between two candidates one of whom has been in office for ten consecutive years and another for a total number of 11 years after 4 or 5 intervals, who is the one that is longer in office according to the draft rule? Such anamolies would arise if the proposed amendment would become the rule.

As already stated the reasons for the Government now proposing an amendment to the existing rule 6 (B) are not mentioned. If the reason is that some societies have not framed bye-laws as required by rule 6(B) and if the Government feel that the case of such societies cannot be met except by making an amendment of the rule 6(B) then it could be done in a way different from the one now proposed. The proposed amendment will cause great hardships and inconveniences and will not be conducive to the sound management of the societies which have framed their own bye-laws to give effect to the principle enunciated in 6(B). To protect such societies from coming under the operation of the proposed amendment to rule 6(B) and at the same time to meet the cases of societies which may not have framed any bye-laws at all to give effect to the principle of the present rule 6(B) the following amendment is suggested:-

> "The Management of every society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen members, elected annually in accordance with the bye-laws of the society and the rules framed by the Government for the conduct of ~~xkx~~ lections. Of the members elected at least one-third or if the number of

members

of the Committee is not a multiple of three then at least the number nearest to a third shall be persons who have not served at any time ~~time~~ during the previous year on the Committee of Management. Each society shall frame bye-laws in order to ensure the election of atleast one-third or a number nearest to a third of members who have not served at any time during the previous year.on the Committee of Management. In the absence of any such bye-laws of the society making provision, in any manner the society likes to ensure the election of the abovesaid number of members who have not served at any time during the previous year on the Committee of Management, a number equal to the abovesaid number of members who have been longest in office shall retire for one year and shall not be eligible for re-election during that year. As between persons who become members of the Committee on the same day those to ~~xx~~ retire shall be determined by lot."

"The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring members to stand for re-election."

" Nothing in this rule shall apply to the Apex Bank, The Central Mortgage Bank and the Mysore Co-operative Institute and to any other Co-operative Institution which may be exempted by Government from the operation of this rule."

A copy of the objections submitted by this Bank to the draft rule 6 (3) in the year 1937 is submitted herewith. It may be taken as part of this note.

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TGV/-

P. Sitharamiah
31.5.39
Hon. Secretary.

THE CITY CO-OPERATIVE BANK LTD., MYSORE.

Resolution No. IV (2) passed at the Meeting of the Board of Directors of the Bank held on 29-8-1937.

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" Though the Bank agrees to the principle of a certain number of new members being introduced to the Directorate every year, the Bank cannot accept the method of elimination of a certain number of old directors as suggested in the draft rule. This resolution might be forwarded to the Government with a letter embodying the reasons for the same and also pointing out the defects in the wording of the rule."

I The recommendation of the Committee on Co-operation in Mysore is as follows:-

" As a safeguard against same committee members continuing in office for long periods and at the same time in order to ensure the advantage of experience and continuity of policy, the Bye-laws of societies should provide for the compulsory retirement by rotation of certain proportion (between 3rd and 4th) of the committee members every year and their replacement by new members. The method of selection for ~~ex~~ retirement will be determined by bye-laws of said societies." The Government order on the Committee's Report No. D 1113 C.S. 11-36-144 dated 31-7-1937 is to the effect that bye-laws of societies should provide for the compulsory retirement by rotation of certain proportion of committee members every year and their replacement by new members.

Neither the Government Order nor the Committee's recommendation has been to the effect that a disability should be placed preventing the oldest members on the Committee from seeking re-election. The present rule is, therefore, not in accordance with the principles or the spirit underlying recommendation and Orders of the Government thereon. The present proposed draft rule 6 (3) works out a great hardship in insisting upon the oldest members not merely to retire, but also not to seek re-election till perhaps all the other committee members of the society should have put in similar period of service on the Managing Committee. The draft rule as at present worded is not clear as to whether the discontinuance of a member for one year on the Managing Committee would enable him to seek re-election for next year, if other candidates should have put in lesser number of service on the Managing Committee.

II Co-operative Institutions, being institutions functioning on democratic lines should conform to principles of democracy. The first and fundamental principle of a Co-operative institution is that the members of a co-operative institution should have a free and unfettered choice to elect from among themselves persons to the committee of Management in whom they have utmost confidence. An inroad upon the rights of the share holders of a society who have got right to choose those whom they consider best fitted and qualified to guard and promote their interests, can only be justified if the present system of unfettered choice has led to any abuses and requires restrictions. The recent Mysore Co-operative Enquiry Committee has pointed out in their report that in certain societies the

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the same Committee has continued in office for long periods, thus preventing new members entering the Committees and gaining experience of the management, and the Committee has suggested as a safeguard that each Society should frame bye-laws about the method of selection for retirement of old members and their replacement by new members. The draft rule now published by Government as draft rule 6(3) is intended to give effect to this recommendation. In the first place the draft rule points out only one method and that by the retirement of three persons who have been members of the Committee previously for the longest periods. The Mysore Co-operative Enquiry Committee has not recommended this as the only method to be adopted as suggested in the draft rule. The Committee gives the choice to every Society to frame bye-laws providing for a definite proportion of old members being replaced by new members every year on the Committee of Management. This can be done by other methods than the one proposed by the draft rule. Moreover to say that a person who has served the longest period on the Committee should be debarred and not be eligible for re-election whatever his capacity and previous work in the Society might be, is surely unjust and unfair to a person who might have served the Society faithfully and conscientiously for a number of years, and who may be returned with the highest number of votes if he should be allowed to seek re-election. Long period of service should not as a matter of course be a disqualification for re-election provided he by his capacity and previous work can command the confidence of the general body of members.

III. The proposed rule prevents experienced people serving on the Committee by seeking re-election. This would be to the detriment of the institutions concerned. The sanction of the Registrar which is recommended for the solution

of the difficulty will not be of much avail as many persons and many institutions may not like to seek such permission as it happened in regard to the rule that till now prevailed with regard to Government servants standing for election to Managing Committees.

Such a question arose long ago in Mysore City in the City Co-operative Bank and after a good deal of discussion and elibration, the Mysore City Co-operative Bank has adopted a bye-law which is as follows:-

> Bye-law No. 51. " The Management of the Bank shall vest in a Board consisting of not more than twenty directors fifteen of whom shall be elected by voting-by-ballot at an Annual General Meeting from among the members residing in Mysore City who are not defaulters on the date of application or nomination and who have three days previous to the Annual General Meeting intimated to the Directors their willingness to stand for election or been nominated by at least two members. If our of the fifteen so elected there are not atleast five members who were not on the Board in the previous year, as many of the old directors who get the least number of votes shall be replaced by an equal number of new directors in order of the number of votes obtained to make up the number of five. In the case of a tie selections shall be made by a lot by the tellers. The remaining five directors or a smaller number may be elected by the Board of Directors themselves from among the members possessing similar qualifications as may become necessary from time to time. "

IV. Every year when a number of candidates over and above the number required for the Managing Committee stand for election the necessary number is selected from among those who command the highest confidence of the general body of members which is signified by the number of votes secured by each successful member. It is but right and proper that the persons who should give room to new members should be those who command the least confidence of the general body of members and not arbitrarily fixing it as members who have served the longest period though they may command the entire confidence of the general body. The bye-law of the Co-operative Bank as quoted above not only enables

members who command the utmost confidence of the general body to continue to serve the Bank but at the same time ensures a definite proportion of new members coming into the committee every year thus giving opportunities to new members to get into Committees and show their capacity and worth by their work. After all a Society should be managed by persons in whom the general body has complete confidence. The equitable principle involved in this bye-law having been recognised by other large and influential co-operative institutions in this City has been adopted by those institutions also and this system has been working very smoothly giving satisfaction all round.

V. It is not suggested that the above bye-law is the only method to be prescribed but it is suggested that the draft rule to be so amended as to give each individual society the choice of framing a bye-law either in accordance with the method prescribed in the draft rule or according to the bye-law of the City Co-operative Bank mentioned above or any other method which would ensure the principle of a certain proportion of new members replacing every year a certain proportion of old members on the Committee of Management.

This subject was considered at the Provincial Conference held in 1934 at Mysore and the opinion of the Conference was against debarring any person from standing for re-election simply because he has served the longest term on the Committee of Management.

So, it is recommended that draft rule 6 (3) be modified and enacted as follows:-

"The Management of every society situated at District Headquarters shall vest in a Committee consisting of not more than 15 and not less than 5 members who shall be elected in accordance with such rules as may be provided under the bye-laws of the society, subject to the condition that such bye-laws should make a provision that the Committee of Management should include a certain definite proportion of new members every year who have not served in the previous year on the Committee of Management."

O. Sitaramiah
31.5.39
Hon: Secretary.

C.S. 14-38-29.

Y. SREENIVASAIYA, B.A., LL.B.
ADVOCATE

MYSORE,

Dated 16th June 1939

62

ವೈ. ಶ್ರೀನಿವಾಸೈಯ್ಯ, ಬಿ.ಎ., ಎಲ್.ಎಲ್.ಬಿ., ಅಡ್ವೋಕೇಟ್‌ರವರು, ಮೈಸೂರು.

D. 7366
19.6.39.

To

The Secretary,

Local Self Government Department,

B A N G A L O R E.

GENERAL SECRETARIAT
19 JUNE 1939

Dear Sir,

My close association with almost every kind of Co-operative Society, in Mysore City (which is a District Head Quarter) ~~having~~ Stores, marketting, propoganda, Credit Central, Khaddar, and so on, for the past more than fifteen years, has made me venture to submit to you in a note enclosed herewith as regards what I consider about the amendment to Rule 6(B) under the Co-operative ~~Regulation~~ Act published in the Gazettee of 27-4-1939. Kindly acknowledge the receipt of the same and oblige.

I remain,

Yours faithfully,

Y. Sreenivasaiya

To

63

The Secretary,

Local Self Government Department, Government of Mysore, Bangalore.

A note on Draft Rule 6 (B) under the Co-operative Regulation published in the Gazette dated 27-4-1939

The draft rule is intended to replace standing rule 6 (B) which was passed only a year back on 30-3-1938. The existing rule was not passed in the form in which it was originally published in the Gazette dated 5-8-1937. It was substantially changed as a result of the public protest and opposition by the Annual Co-operative Conference held on 12-10-1937.

A reference to the discussion of theproposition as recorded in the Conference proceedings at pages 13 and 14 show that the idea of framing a rule to eliminate those who served on the committee for the longest period was not acceptable to most of the delegates. The Deputy Registrar who was present at the Conference gave the following explanation of the intention of the Department in recommending a rule in that form.

" The idea of framing the rules regarding election was to give an opportunity to new members to work in Co-operative Institutions. As a safe guard against the same committee continuing in office for long periods, and at the same time in order to ensure the advantage of experience and continuity of policy, the beylaws of Societies should provide for the compulsory retirement of old members."

64

His position therefore, was that -

1. New members should be introduced into the committees annually,

2. The same committee should not continue in office for long periods.

3. The advantages of experience and continuity of policy should be ensured.

The Conference then passed a resolution moved by mr. E.N. Natesan opposing the draft rule 6 (B) in the following terms:-

"Draft Rule 6 (b) framed and published for information by the Government is not acceptable in its present form, but they request the Government to so frame it as to exclude the clause dealing with ineligibility on account of longest service, and also to provide for the introduction of not less than three new members to serve on the committee of Management."

The Government was kind enough to appreciate the point of view of the public and therefore changed the draft rule and passed it on 30-3-1938 in the amended form as in force now.

One of the clauses of the said rule 6 (B) is thus:-

"Such byelaws shall make provision to ensure that not less than one third of the total number of members of the committee shall be persons who have not served at any time during the previous year on the Committee of Management."

Certain Societies got their byelaws changed accordingly and elections for the current year 1938-39 will be under these rules.

The effect of this new rule therefore remains to be

65

seen when election take place after the close of the year year 1938-39. We have no material as yet, to say that the new rule 6 (B) that is in force since March 1938 has failed in its object.

It is surprising that the Government should introduce again the same draft rule with certain changes, which are less liberal that was opposed vehemently in the Conference of 1937 and abandoned by the Government later on.

The draft rule 6 (B) is intended to apply only to Societies in the District Headquarters. The reason why it should apply to societies situated in eight towns only in the State is not clear. But of this later on the Registrars have been giving very good opinion, regarding the urban Societies in the State amongst which Societies situated in theDistrict Headquarters are also included. The Present Registrar as well as his predecessor in office have got the same good opinion about Urban Societies. The Predecessor of the present Registrar has said in his report(1935-36)submitted to the Government (vide page 17). which is his last report, that:

"The Urban Societies have all along been having a steady and continuous growth, have got well <u>experienced in self-management</u>, have offered few occasions or little need for Departmental interference, control or guidance and cause little concern."(85) para

In his latest Report, 1937-38 the present Registrar has said (Page 21)

" From the preceding paragraphs, it will be seen that while the <u>Urban movement</u> has been <u>steadily advancing</u>" etc

As there is thus no complaint either of a grave or of

66

trivial nature against Urban Co-operative Societies, it looks to be superfluous to frame rules regarding their working.

Nobody can say that it is opposed to theprinciple of Co-operation to allow a person to be on its management for a long time. Sir Horace Plumkett, who knew well enough the principles of Co-operation was the President of the Irish Agricultural Organization Society for a period exceeding 40 years from the date of its inception to the date of his death.

Nobody is anxious that long standing committee members should be undisturbed in their position. Their continuance on the committees, or their elimination from them, should depend upon their usefulness or wothlessness respectively. All the members of a committee in office retire each year, and such of them as choose offer themselves for relection. The present rule presupposes that the share holders in the Societies at District Headquarters exercise their discretion so unwisely that they reelect long standing committee members year after year though they are unworthy. This hypothesis is hard to be believed in the absence of positive proof that in the majority of about 200 and odd societies located in the District Headquarters, long standing committee members are being reelected year after year regardless of their worth to serve the Societies.

Again the existing Rule 6 (B) allows discretion to the shareholders of the Societies in the District Headquarters to eliminate even the senior most of the committee men, if they like it by passing a suitable byelaw. If certain societies to which such a rule would be beneficial in the opinion of the Registrar, abstain from passing such a byelaw, it is within the powers of the Registrar to summon an extra ordinary General Meeting of the shareholders and inform them of the harm done to their society by their negligence, and bring to their notice the real situation.

67

Then it is quite certain that some members will agitate the question in their General Meetings. Also, if the seniormost members of the committee do not act in the interest of the Society or work against its interest, theRegistrar can remove such undesirable elements from the committees, or even suspend the whole committee and appoint a sole director for a period of one or two years, and see that his ideas are carried out. When the Registrar is invested with such very wide powers, why the Government should frame rules to eliminate the senior men as such from the committees of all the Societies in all the District Societies regardless of the effect of such elimination on the institutions cannot be understood. The very numerous rules framed by the Government for the past ~~two years~~ a year and a half which mostly apply to Urban Societies have caused already dissatisfaction if not resentment amongst the Urban Co-operators. The Registrar is very well aware of it and has referred to it in the latest report as follows (Page 19, para 86)

" There has been agitation against some of these new rules in that, by their promulgation the deofficialization of the movement which is the Co-operative ideal, has received further set back."

It is better that things are let alone, as they are. Under the rules already in force, the situation as been as follows:-

The Auditor is appointed directly by the Registrar himself. Hence he is not in any way likely to screen any defect from the view of the Registrar. Therefore if any committee members are sticking to their places to screen from the public view any of their misdeed, henceforward they will not be able to achieve their object.

It was once a common talk that in certain big centres the same set of persons were elected to the Managing Committees of numerous societies ~~and~~ who were therefore practically preventing many persons from serving their Societies.

But new rule 6 (c) which prevents a person from being a member of more than one society of the same kind removes also his chance of being a Director of more than one Society of the same kind. Assuming that any member secures the permission of the Registrar to be a member of more than one Society of the same kind nevertheless he is not entitled to sit on the Managing Committee of more than one of them under rule 6 (d) without the special or general sanction of the Registrar. Thus no person can, as a matter of right, stand for election in more than one Society of the same kind. These new rules will be put into full force in the ensuing elections after the close of the year 1938-39. Then there will be some material to judge whether the supposed evil expected to be eradicated by draft rule 6 (B) will have been eliminated or not with the help of the rules now in force.

Government has already assumed power of deciding how many members an Urban Society should have, which person may continue his membership, in which Society, and which person can serve on the committees of more than one Society and on which of them he cannot do so and so on. They may halt for the present to take stock at this stage ~~stock~~ of the effect of the policy they have followed for the past about year and a half. Rules are not so soon cancelled as they are passed. It is better that the rule 6 (B) now in force is continued for a few years more to study whether the effect of it ~~is~~ will not be what it was expected to be.

69

It cannot be denied by the Government that the Co-operative movement can succeed only to the extent to which the Co-operator's are trained in working ~~at~~ their principles and policies themselves on Co-operative lines. Those who believe that a strong hand at the top assisted by loyal assistants, and armed with the power derived from rules framed by the Government, can bring about results expected from Co-operation, will meet with nothing but disappointment. If only Government should be pleased to direct their attention from their officer's powers, towards the people, and try to give them the proper training, and take steps for the spread of the Gospel of Co-operation, they have far better chance of achieving their object. Rules when they are founnd to have failed to yield the expected results, have the tendency to multiply themselves as we have been seeing it now in the case of Co-operation; but multiplicity of rules does not bring about reformation of the Co-operators which alone is the solution for thebetterment of the movement whether in the District Headquarters or rural parts.

One of the gravest accusations against the Co-operative movement in Mysore, as elsewherein India, is that there are not proper men forthcoming to serve it on correct lines. But it is well known that no arrangement is made to train men for the purpose either by the Government or the Societies. There is extreme reluctance both on the part of the Government as well as the Co-operators to contribute funds to organize training courses. Consequently untrained men, entertaining their own views and notions about Co-operation, its aims, objects and goal, come into the committees and acquire knowledge about the working of the Societies, their methods and

70

policies in the course of their service on the committees. If there are any amongst the Co-operators now who know something about co-operative practice and working, they have learnt it mostly in the course of their tenure of office on the committees. It takes many years for one to learn the nature and method of co-operation in this way. But the proposed rule 6 (B) takes waway even this chance of learning by practical experience the art of running a co-operative society. For a person can serve according to the proposed rule for not more then three years. The first year is spent in acquainting himself with the affairs of the institution. During ~~Serving~~ the second year one tries to find out the ways of improvement. It is in the third year he can put his views into practice. By the end of the third year, before he knows the merits or demerits of his experiments, he will be removed compulsorily from his office if the new rule comes to force. The draft rule if passed, applies to every kind of Society in the Headquarters of a District, ~~in~~ or primary, central, credit, stores, ladies, depressed clauses, propagandist and all Land mortgage whether their membership is thousands or hundreds or even tens. A rule which is made applicable to every kind of Society regardless of its condition and nature, simply because it happens to have its Registered Office in a District Headquarters is likely to prove mischievous in its effect to many of them, and inflict infinitely more harm to very many Societies than the good it may render. It is defecting the purpose of the Rule if the Registrar grants exemption to very many Societies under the discretion vested in him.

The draft rule seems to be based on the view that a Society could be worked, or should be so organized as to be capable of working, without depending upon personalities.

71

That view when analysed means that if each Society is endowed with a complete set of rules, the organization can work out its purpose mechanically, whoever may be the person entrusted with the management of the affairs of the Society. But experience is opposed to this view. Co-operation seeks to inculcate the spirit of universal brotherhood amongst people build up character, and reform man. These purposes could be fulfilled only with the help of men of faith, enthusiasm and knowledge. Rules and the few officers of the Government that could be appointed to enforce them will be unable to do any of these things. What is required istherefore, not additional rules or amendments to the existing ones, which are good enough for the purposes but instruction and training to the Co-operators and their committee members.

GBI.

- - - -

V. Sreenivasa Iyer
Advocate Mysore
16-6-1939.

C S 14-38-30.

30X100-26-10-1937 ESTD 1906

THE MYSORE CO-OPERATIVE SOCIETY, LTD.,

GANDHI SQUARE, MYSORE.

In reply please quote No. 9520

D. 7367 20.6.39.

Dated 16th June 193 9.

To

GENERAL SECRETARIAT 19 JUNE 1939

The Secretary to Government,
Local Self Government Department,
New Public Offices,
B A N G A L O R E.

Sir,

With reference to the Gazette Notification No.D.9189-C-S-14 38-23 dated 19-24th April 1939, regarding the publication of the draft rule suggesting amendment to Rule VI.B regarding the appointment of members to the Committee of Management of Co-operative Societies at District Head Quarters and calling for suggestions or objections to the proposed rule, I have the honour to send herewith the opinion of the Managing Committee, the Mysore Co-operative Society, Ltd. Mysore.

The matter was placed before the Managing Committee dated 25-5-39 and with a majority of six against five they have passed a resolution to state that they agree with the draft rule suggested but with an amendment that the exemption clauses contained in the last two paras ("The Registrar may, if in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiriing members to stand for re-election.

Nothing in this rule shall apply to the Apex Bank, the Central Mortgage Bank and the Mysore Co-op: Institute and to any other Co-op: institution which may be exempted by Government from the operation of this rule".) be omitted.

I have the honour to be,
Sir,
Yours most obedient servant,

HONARARY SECRETARY.

YNK.

D. 7463
22. 6. 38.

C. S. 14-38-31

To

THE SECRETARY,
Local-Self Department,
Government of Mysore,
Bangalore.

From

N. LAKSHMACHAR,
Director,
Shimoga Co-operative Bank, Ltd.,
Shimoga.

Sir,

GENERAL SECRETARY
22 JUNE 1938

In response to the notification in the Gazette of Mysore No.D.9189 C.S. 14-38-23 dated, Bangalore, 24th April 1938, regarding the amendment of R.6 B pertaining to the appointment of members of the Committee of Management, I wish to submit this suggestion of mine for the kind consideration of the Government.

I heartily welcome the draft rule amending R 6 B. No doubt there will be many of opposition to this proposed amendment mainly by conservative men who have monopolised the committee membership from a very long time. Their cry is that in democratic institutions like the Co-Operative movement, it is derogatory to the sound principles of democracy to have the proposed amendment. Viewed impartially the securing of votes to the committee of management depends in a large measure to the influence a particular man wields and also the obligations of the members to the member in question. Having remained in the committee for a long period, the electorate blind-folded will re-elect the same men though there are -- members other aspirants to serve as committee members. It has been my unfortunate experience for the last 20 years, that young and enthusiastic people with brilliant and varied experience have been shut out and denied all opportunities to serve the society of which they are members. The re-election

P.T.O.

74

re-election of the old members does not necessarily mean that there is a dearth of able-bodied men to serve as directors but only shows the power they wield over the electorate. I have nothing personal against any one old member but I feel when really efficient people do not get into the committee of - management.

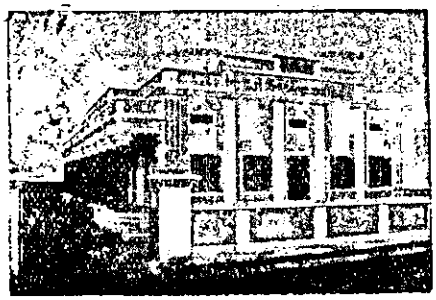
I have one word to say against the continuance of old members. Of late we have been seeing in very many societies in the State instances of gross-mismanagement on account of the same set of members continuing in the committee of management. A change in the personnel of the committee will enable the new directorate or at least the newly elected members to see eye to eye the working condition of the society and find out any flaws or acts of mismanagement and may find out means to nip them in the bud. However enlightened and intelligent the old members may be, it would be for the good of the society concerned that the old members should retire and new blood introduced.

The present proposal of retiring five amongst the oldest directors will not deprive the institution of their able advice and lead as other old members will also be in the committee. This proposal will also enable new enthusiasists also to work in harmony with the old members for the good of the institution.

For the above reasons, the amending rule may be given effect to.

Yours faithfully
N. Madhava Rao
21/6/39

CS 14-38-32 D. 7481
23. 6. 39.



THE Bangalore City Co-operative Society, Ltd.

(ESTABLISHED 1905)

NEW THARAGUPET, BANGALORE CITY

Ref. No 3085 *Date* 20th June 1939

To

GENERAL SECTION
22 JUNE 1939

The Secretary to the Government of
H. H. the Maharaja of Mysore,
General Department,
Bangalore.

REVENUE SECTION
DEVELOPMENT BRANCH

Sir,

With reference to the draft rule amending Rule 6 (B) regarding the appointment of members to the Committees of Management of Co-operative Societies at District Headquarters published in the Mysore Gazette dated 27th April 1939, I have the honor to submit, by direction, that the proposed amendment to Rule 6 (B) will not be in the interests of large Urban Co-operative Societies, as it will deprive the Societies of the services of teteran workers, who have developed these Co-operative Institutions and who are able to contribute their experience to the Societies for their proper administration. It is conducive to the maintenance of consistent and continuous policies and for the healthy growth of the Institutions that there must be foom for some longstanding and elderly members to continue to work in the Societies.

If the object of the Government is to see that fresh blood is imported every year, the same has been fully served by the rule that 1/3rd of the members shall retire and shall make room for new members. As a matter of fact, for instance, in our Society, we have a rule, which goes even farther than this, under which, five Committee Members are bound to retire every year and make room for fresh ones and this rule has been in existence practically ever

- continued -

ever since the inception of the Society.

If a few persons take advantage of their own positions and stick to their places, the general body of workers in the Co-operative field should not be penalised and the present rule that no person shall hold an office for more than 3 years ought to be quite enough to prevent any person from continuing to occupy any position of trust and confidence and abuse the same. There can be no such difficulty or evil if a person is to be merely a Committee Member and not an office bearer.

Moreover, in a Society like ours every annual election is for all the seats. All the ten members retire every year and five new members, that is half or 50% must be re-elected, so that it cannot be said that any particular member can continue as of right for more than one year. To penalise a person because he is popular and is elected year after year by getting the largest number of votes, as he must do in our Society to come in by re-election and to occupy one of the first five places, is not fair and cannot be justified on any principle.

A rule like the present one is also likely to make the permanent staff of the institution unduly influential and powerful. At present, the fact that some of the members of the Committee have sufficient influence with and can command the confidence of the general body to be elected at each annual general meeting and are likely to continue as members of the committee, exercises a very wholesome check on the staff.

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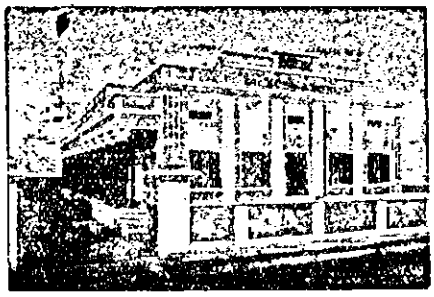


THE
Bangalore City Co-operative Society, Ltd.
(ESTABLISHED 1905)
NEW THARAGUPET, BANGALORE CITY

Ref. No 3085 Date 20th June 1939

If a rule like the present one is introduced, they are likely to feel that they can flout all or any of the members on the committees who will be a very temporary body.

The new rule will also prevent the committee members feeling responsible for the transactions which they support sanction or approve of in Societies, if there is a feeling that they would not come again. It will be admitted that it is only this feeling of responsibility, which the large majority of workers in the field of co-operative societies ought to have, that is conducive to the proper administration of a co-operative institution and not mere penalties or rules.

The rule breathes a spirit of suspicion which, it is submitted, is not justified.

A suggestion to pass a rule of this nature was taken up 2 or years ago and was subsequently dropped, when it was found that a ver large body of members from various co-operative societies in the Mysore Co-operative Conference were against it. It is submitted that considerable weight ought to be given to their views.

The rule is an infringement of the well recognised principle that the internal administration of the societies ought to be an affair of the members and that it must be on as democratic a basis as possible. The members ought to have perfect liberty to elect whomsoever they please and no particular member ought to be thrown out even though he is efficient and popular and is elected more t' once by the members.

-continue

SHIMOGA CO-OPERATIVE BANK, LIMITED,

SHIMOGA.

Ref. No. 1875

GEN. & REVENUE SECRETARIAT
7528
27 JUNE 1939
DEVELOPMENT BRANCH.

Date 23rd June, 39.

G.O. 14-38-33

To

GENERAL SECRETARY.
24 JUNE 1939

The Secretary to Government,
Local Self-Government Departments,
BANGALORE.

Sir,

With reference to your Notification No.D.9189-C.S. 14-38-23 dated Bangalore 19/24th April 1939 for general information a draft Rule amending Rule 6 (B) regarding the appointment of members to the Co-ope-rative Societies at District Head Quarters and inviting any suggestions or objections to the proposed Rule, I have the honour to state as follows as desired by the Directors of this Bank:-

Part I.

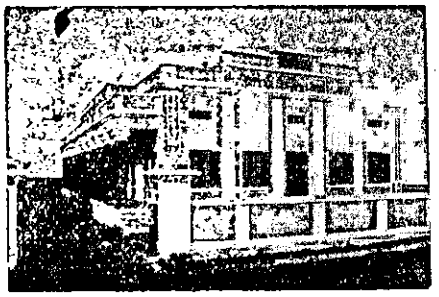
The first and main opposition to the draft rule 6 (B) is that it violates the essential democratic principle of freedom of choice to the electorate, in this case, the general body of the Society concerned. The Co-operative Movement is a democratic movement, and it is essential that the people who constitute the particular society should have no restrictions placed on their freedom to elect among the candidates who offer and who are willing to offer themselves for election to the Directo-

rate

Directorate. In the main, if not in all respects, it is the composition of the Directorate that attracts or repels the confidence of the public. As the confidence of the public is the desideratum for the business of the society to be carried on and to flourish, everything that is calculated to shake or to affect that confidence should be tabooed. The objection has all the more point as these restrictions are sought tobe placed in respect of urban societies at District Head Quarters. The members of urban societies, especially those of the ones at District Head Quarters, may reasonably be presumed to be more conversant with the value of the vote and better able to look after themselves and their interests. It is very strange, therefore, that, in respect of these urban societies, Official interference should come in to restrict the freedom of choice of the general bodies. On principle, therefore, as well as on the ground of practical business efficiency, it is expedient that Government abrogate the rule 6 (B).

Part II.

As, however, the Government already framed and passed the rule 6 (B), the societies had no course but to alter their byelaws so as to incorporate the principle of the said rule. The Shimoga Co-operative Bank, to that end, framed a byelaw which may be claimed to restrict to the minimum extent consistently with Rule 6 (B) the freedom of choice of the general body. It is reasonable to infer that the candidate who secures the highest



THE

Bangalore City Co-operative Society, Ltd.

(ESTABLISHED 1905)

NEW THARAGUPET, BANGALORE CITY

Ref. No 3085 *Date* 20th June 1939

The experience of some veteran co-operators in some of the co-operative institutions of the State has acted as a very healthy influence towards the progress of the institutions and prevented the unhealthy influences either of some casual new directors or of the staff of the Society.

As a **last** resort, the Government may, if they so desire, make the rule so that it may be applied by an order specially to any co-operative institution in which the Government feels such an interference is called for, instead of making a rule like the present one, which casts a slur generally upon all workers in the field of co-operation and makes it incumbent on any particular societies to go up to Government for exemption.

I have the honor to be,
S i r,
Your most obedient servant,

B Vasudeva Murthy

Chairman,
Executive Committee.

NVS.

highest number of votes has the largest support of the general body and that the one who secures the (next) highest number of votes has the (next) largest support of the general body. Keeping this principle in mind and applying it logically, the Shimoga Co-operative Bank in its byelaw has stated that, of the Directors of the previous year, those who get the lowest number of votes if they happen to be within the first fifteen will drop out in case those fifteen do not include five who were not Directors already. This method, it is claimed, is a happy compromise between the two ideas, viz., the freedom of choice of the general body and the affording of scope for entry of fresh blood in accordance with the rule 6 (B) as in force now.

If it is decided to retain rule 6 (B) or the principle underlying it, it is urged that no more restrictions be placed than have already been placed. To disqualify a candidate (otherwise healthy, able, and qualified) on the ground of his long service which means, in effect, long experience, is folly and not wisdom. It is urged, therefore, that the words in the 1st para of the draft rule beginning "and that the members to retire" and ending with "re-election" in the first para of the draft rule be omitted.

It may be pointed out that in the draft rule originally

originally proposed before the enactment of the rule 6 (B) now in force, there were words intended to disqualify long service. There was a very vigorous opposition (to this meaningless disqualification) at the Provincial Co-operative Conference held in 1937.(Vide Mysore Co-operative Journal 1937 - November issue, page 233 ದೀರ್ಘ ಕಾಲ ಒಂದೇ ಸ್ಥಾನ ಮಾಡುವುದನ್ನು ಹೇಗೆ ಬೇಡವೆಂದು ಹೇಳಿದರೋ ಹಾಗೆಯೇ ದೀರ್ಘವೆಂಬ ಪ್ರಮಾಣವನ್ನು ಬಳಸಬೇಡಿ.)

The Government then altered the draft so as to remove the disqualification sought to be imposed on long service. There appear to be absolutely no grounds to change with lightning speed and to reintroduce a clause universally condemned then, and calculated to ride rough-shod on the democratic principle of freedom of choice of the electorate.

Part III.

1. "Longest in office since their last elections or appointment". These words by themselves convey no accurate sense, because normally, every year, there is only one election and all the Directors elected are elected at the same time and so, all the Directors then elected will have been in office for the same period since their last election or appointment, and the word "longest" has no meaning. What is sought to be penalized is, perhaps, longest continuance in office. The wording has therefore to be altered suitably. In that case, it will be correct to say "longest in office without a break since they

SHIMOGA CO-OPERATIVE BANK, LIMITED,

SHIMOGA,

Ref. No._____ Date

they were for the first time elected to the Directorate."

2. "A retiring member shall not be eligible for re-election" The wording is so unqualified as regards the period of disqualification or ineligibility. Is a retiring member disqualified for ever? That could not have been the idea. At any rate, such an idea is not conducive to the growth and development of the Co-operative Movement. So, it is necessary to substitute for "re-election" the words "election to be held for the year subsequent to retirement".

I have the honour to be,
Sir,
Your most obedient servant,

Hon. Secretary.

CS 14-38-24

The Co-operative Staff Association, Ltd.,

ESTD. 1935.
Reg. No. 432/A.R.M.

In Reply Please Quote No. 1308

MYSORE,

Dated 26-6-1939.

GENERAL SECRETARIAT
28 JUNE 1939

The Secretary
to the Govt.
28/6

Local Self Govt. Department
Bangalore

Sir,

I have the honour to enclose herein a copy of the resolution passed at the monthly meeting of the association held to-day.

I have the honour to be
Sir,
Your most obedient Servant.

S. Narayana Sastry
Honorary Secretary.

The Co-operative Staff Association, Ltd.,

ESTD. 1935.
Reg. No. 432 A.R.M.

In Reply Please
Quote No.....

MYSORE, 26/6

Dated 26 : 6 1939.

Meeting 26.6.1939—

This association approves the recent passing of the ~~late~~ amendment to rule 6 (B.) under the Co-operative Societies' act.

A. N. Nagappa
26.6.39.
Chairman.

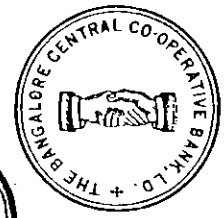
True Copy.

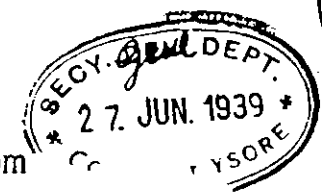
CS 14-38-315

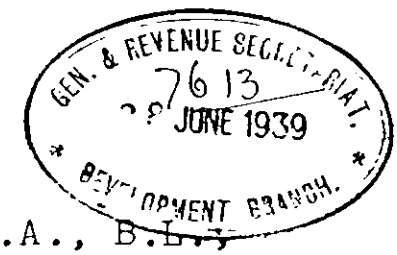
1, CENTRAL BANK ROAD, CHAMARAJPET

No. 7353.

Bangalore City, 27th. June, 1939

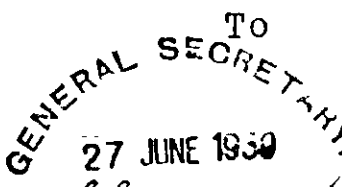






From

Rajakaryapravina
P.G.D'Souza, Esq., B.A., B.~~L.~~,
President, The BangaloreCentral
Co-operative Bank, Ltd.



To

The Secretary to Government,
Local Self Government Department,
B A N G A L O R E.

CS 2816

Sir,

In response to the notification No.D.9198-C.S. 14-38-23 dated 19/24-4-39 inviting suggestions regarding the draft rule amending Rule 6(B) relating to the appointment of members to the committees of management of Co-operative Societies at District Head Quarters, I have the honour to state as follows:

The original draft rule published by Government with notification No.D.1176-C.S.11-36-146 dated 3/4-8-37 contained a provision that 3 persons who were members of the committee previously for the longest periods shall not be eligible for re-election. This provision was objected to by this Bank in its letter No.2174 dated 19-10-37 and the existing rule does not require that the members who served the longest on the committee should retire. It is not known why a reconsideration of this rule has again become necessary.

It may be noticed that the long continuance of a member on the committee of management is by itself a proof of the confidence reposed in him by the

1. CENTRAL BANK ROAD, CHAMARAJPET

No. ....

Bangalore City..... 193

the General Body and the usefulness of his service to the institution. It may be desirable to have a few new members every year with a view to allow the Society to have the nenefit of the services of the ablest of the existing rule and the members who served the longest are given the option of standing for election again along with others, whereby the discretion of election is left to the General Body of shareholders. This is the practice obtaining in all the Joint Stock Banks. The proviso, it is feared, will become inoperative in practice and stand in the way of persons of status seeking such election if required to approach the Registrar. Moreover such a proviso will curtail the discretionary powers of shareholders to choose the best deserving persons and increase official interference in a matter where it should be the least.

If an institution has to make an application to the Registrar for such permission, it will involve long and unnecessary enquiry and delay and keep out persons of status from such positions in Co-Societies.

The offices being purely of an honorary character it is desirable that the rules should be framed so as to give every facility to the most eligible and capable persons to serve on the committees without unnecessary trouble and worry to them and to the institutions concerned. Such restriction are not only undesirable but also inexpedient at least in the case of large Co-operative institutions such as the Central Bank etc.

Hence it is prayed that the existing rule

THE BANGALORE CENTRAL CO-OPERATIVE BANK LD.

1. CENTRAL BANK ROAD, CHAMARAJPET

No. . . .

Bangalore City..... 19S

rule may be allowed to stand as it is, since the amendment with the proviso will not result in any good but may result in hardship to some of the big institutions at District Head Quarters.

I have the honour to be,

Sir,

Your most obedient servant,

PRESIDENT.

DKL/

Cs 14-38-36

THE BANGALORE CITY CO-OPERATIVE HOUSING SOCIETY, LTD.,

NO. 1, HARDINGE ROAD, CHAMARAJAPET,

BANGALORE CITY.

GEN. & REVENUE SECRETARIAT 27592 27 JUNE 1939 DEVELOPMENT BRANCH.

No. 304

Dated 27th June 1939

From

The Honorary Secretary,
The Bangalore City Co-Operative
Housing Society, Ltd., BANGALORE.

GENERAL SECRETARIAT 27 JUNE 1939

To

The General Secretary to
the Government of Mysore,
B A N G A L O R E.

Sir,

With reference to Draft Rule 6 (B) under the Mysore Co-Operative Societies Act, published in the Mysore Gazette dated 27th April 1939 for eliciting public opinion, I have the honour to submit for -- favour of perusal of Government the opinion of the Board of Directors of this Society, as recorded in the resolution of the meeting of the Board held on 19th June 1939. A copy of the resolution is enclosed.

The proposed rule, which seeks to eliminate certain proportion of the seniormost members of the Board of Management and prevent them from standing for re-election is drastic and seems vindictive and will not further the best interests of the urban Co-Operative Societies, which owe their present position and standing to the continued presence on their -- respective Committees of selfless and veteran workers upholding and pursuing a consistent policy with -- respect to each Society. The radical changes contemplated in the proposed rule will, it is feared, result

90

result in fluctuations of policy that might prove detrimental to the solid good work built up for the institutions by a band of influential workers whose constant presence on the Board gives the Societies a status and infuses confidence in the members and the general public.

If it is the intention of Government to import fresh blood into the Management every year and thereby enable a greater number of members to gain an -- inside knowledge of the working of Societies, the purpose is amply served by the existing rule that one-third of the elected members each year should not be persons who have served during the previous year. This proportion may be increased to even one-half, if necessary. If, on the other hand, it is intended to prevent the formation of cliques to capture seats in the Directorate, a rule like the one under contemplation ought not to be the remedy. A Director on a Board does not wield any administrative authority and power but is there only to lay down the general policy of the Society and to give it the weight of his position and influence. Hence his uninterrupeted presence on the Board cannot affect the interests of the Society. The position of an office-bearer is different and he is rightly debarred from continuing in office for more than three successive years. But to remove the seniormost members and that too for ever, according to the last sentence of the first paragraph is not at all fair. The Board feels that the proposed rule will unnecessarily penalise the few available long-standing workers in the field of Co-Operation and deprive the Societies of their valuable services.

Bd

91

Such a rule is bound to affect the prestige of the institutions and to unnecessarily hurt the feelings of members who have given their time and thought to build up the reputation of the Societies.

The seniority, efficiency and popularity of a Director should not be a bar to his re-election. He should be allowed to stand for election and - submit himself to the verdict of the electorate and not be disqualified and eliminated before election. The General Body is the supreme authority in all matters relating to the internal administration of a Society and its power of election should not be curtailed drastically by a rule like the one proposed which undermines the democratic constitution of -- Societies, one of the vital basis of their existence.

For the foregoing reasons, I am to submit for the kind consideration of Government that the present wholesale change in the wording of the Rule is not necessary and that the existing rules are enough for all practical purposes. In exceptional cases, however, the Government may apply the principles of the proposed rule to any particular Society.

A copy of a dissenting note dated 21st June 1939 on the subject from Mr. Saligram Narayan Rau, one of the Directors, is also enclosed for perusal.

I have the honour to be,
Sir,
Your most obedient Servant,

Honorary Secretary.

Proceedings of the Board Meeting held on 19-6-39.

92

Subject No.1.-- Draft Rule 6 (B) of the Mysore Co-Operative Societies ~~Regulation~~ published in the Mysore Gazette dated 24th April 1939 for opinion.

"The management of every society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the bye-laws of the society and the rules framed by Government for the conduct of elections. Such bye-laws shall make provision to ensure that at the elections so held atleast one-third of the members of the Committee or if their number is not a multiple of three then atleast the number nearest to one-third shall retire from office and that the members so retire every year shall be those who have been longest in office since their last elections or appointment but as between persons who become members of the Committee on the same day those to retire shall be determined by lot. A retiring member shall not be eligible for re-election."

Resolution:- This society is not agreeable to the rule proposed It feels that the present rule which provides for a certain proportion of new members coming in is working quite satisfactorily. If it is considered necessary, this proportion may be increased. The rule proposed penalises Veteran workers whose presence is always necessary for the continuation of the policy of the institution.

The society, however, suggests that provision may be made if it is felt necessary for taking power to Government or the Registrar to enforce the proposed rule, to societies in which, in the opinion of the Registrar, such exceptional action is called for and is found necessary in the interest of a particular institution.

Sd/- J.V. Karve,
President.
19-6-39

" C O P Y "

HON SECRETARY
THE BANGALORE CITY CO-OPERATIVE
HOUSING SOCIETY LTD.

A brief note re: the amending rule relating to elections in Co-Operative institutions in ~~XNE~~ Mysore State.

93

After further consideration, it seems to me that the suggestion, offered by the Board, while disagreeing with the draft amending rule, published by Government, regarding the appointment of members to the Committees of management of Co-Operative Societies, is not of a constructive nature. To be easy of application, a suggestion should be workable.

Believing that an evil has grown up, some where, Government appear to have brought in the rule to stamp it out as far as possible in the interest of the -- Co-Operative movement.

There are gentlemen of culture and standing, who have rendered and are still rendering self-less yeoman service, in the field of co-operation, in the State. That it is not the intention of Government to drive out and deny themselves of the services of such honest workers is clear from the provision made in the Rule for exemption. It cannot, I think, be regarded as an interference, on the part of Government, or the Co-Operative Department in the management of the Co-Operative Institutions. Permission to stand for Election, in the case of self-less workers, will, I expect, be readily forthcoming for the mere asking.

To stand for Election to a Board of management, one has now to notify his willingness before hand. All that is required, in this case also, is that the gentlemen whom the Rule disqualifies, have only to intimate their willingness to the Government or to the Registrar for necessary permission.

Under such circumstances, and bearing in mind the good intentions of Government, I do not think any serious objection can be taken to the proposed Rule.

We have no vested interests here. If we are given an opportunity, let us serve the Society. Otherwise, should we make it appear, whatever may be our humble

P.T.C

services, that we are indispensable and that we are trying to stick on to the Institution concerned to the prejudice of other candidates, who may wish to further the cause of the Society, whose interests we all have at heart. So long as the Rule provides for the retirement of only one-third of the members, who have been longest in office by rotation, there is no fear that an Institution will be deprived of the experience of other long standing members, who, in turn, become the longest a few years later.

As the Rule stands, a retiring ~~members~~ member, whether old or new, is not eligible for re-election. This does not seem to be fair. He cannot be debarred for ever. It would be enough if a definite interval, say a couple of years, is provided before he is allowed to stand for Election, again, as in the case of City Co-Operative Bank.

Care should, however, be taken to see that no rings are formed by members to capture the seats on the Board of management and thus defeat the Rule.

There is one other way of meeting the situation and that is to claim exemption for this premier Co-Operative Housing Society from the operation of the Rule as in the case of the Apex Bank and Land Mortage Bank &c., I have no doubt that, having regard to the services which this Society has been rendering to the City of Bangalore, necessary exemption will readily be forthcoming, as this is a special type of non-credit society.

I understand that a similar Rule* is in force in Behar and Orissa, according to which a person who has served on the Committee of management of the Society for three years cannot stand for Election. The Rule proposed by our -- Government is not, thus, new or drastic.

I would, therefore, suggest that it will be enough for our purpose if we claim exemption for this Society. Where there are ways and means of getting over a difficulty easily, I am not for opposition, in any case.

95

Well, this is my humble view.

I always stand for conciliation and conciliatory methods, which are more effective and produce better results, in the long run.

Sankarapura,
21-6-1939.

Sd/- S.Narayan Rau.

30. No member of the Committee of management who has served on the Committee for three years, shall be eligible for re-election without the previous approval of the Registrar.

"Copy"

J.S. Ramaiya
HON SECRETARY
THE BANGALORE CITY CO-OPERATIVE
HOUSING SOCIETY LTD.

CS 14-38-37

ESTD. 1918

Chamarajapuram Co-operative Stores, Limited, Mysore.

IN REPLY PLEASE QUOTE NO. 1080

Dated 25th June 1939.

GEN. & REVENUE SECRETARIAT. 7594 27 JUNE 1939 DEVELOPMENT BRANCH

From

The Honorary Secretary,
The Chamarajapuram Co-operative Stores Ltd.,
Mysore.

GENERAL SECRETARY. 27 JUNE 1939

To

The Secretary to Government,
Local Self Government Department,
Bangalore.

Dear Sir,

The members of the Managing Committee of the Chamarajapuram Co-operative Stores Ltd., Mysore has passed the following resolution in connection with the Gazette notification No. D 9189- Cs. 14-38-23 dated Bangalore, 19-24th April 1939 on 25th June 1939 ~~and~~ which is herewith submitted.

1. The Chamarajapuram Co-operative Stores voluntarily passed a byelaw in 1932 anologous to the amendment of Rule 6 (B) now published, according to which byelaw, four persons who were on the committee continuously for the longest period, were ineligible to stand for re-election. That rule was in force for a period of three years, when on comparison of the condition of the Society to what it was prior to the introduction of the new rules, it was disclosed that the change in the personnel of the committee did not improve the condition of the Society. Hence the byelaw was amended in 1936 whereby out of the fifteen

Continued.

members on a standing committee, not more than ten could serve on the succeeding committee, the process of elimination if more than ten of them were amongst the first fifteen elected being, that those who got the least number of votes to retire, making room for the new men who bear the highest number of votes. This rule is found to be sufficient not only to introduce not less than five fresh men every year, but also to retain a substantial number of the previous committee also for securing continuity of policy.

It may be observed, from the statement enclosed herewith, that though the byelaw provided for the retirement of only four of the standing committee, in practice double the number were being eliminated each year. Also even before the introduction of the byelaw in 1932, prohibiting persons who were on the committee for the longest period standing for re-election, about four to five new people were being introduced to the committee annually.

In this connection we wish to draw the attention of the Government to the resolution recently passed by the Co-operative Enquiry committee of Madras published in the 'Hindu' dated 16-6-1939 under the heading "Working of Urban Banks": resolution No. 3 runs as follows:-

"The term of office of the Directors shall be three years, and the retiring Directors shall ordinarily be eligible for re-election."

Continued Sheet No. 3.

Rule 6 (B) now in force is sufficient to enable such of the Societies as desire to eliminate the p-ersons who are for the longest period, to pass a byelaw to that effect. It would be harmful to the Societies to impose the same retriction on all of them irrespective of their ages, membership condition or previous experience etc.

The language of the draft rule is also not perspicacious and leads to ambiguity, ~~and~~ vagueness and confusion.

In view of these facts and experiences the Managing Committee has passed the following resolution opposing the amendment to rule 6 (B) published in the Gazette dated 27-4-1939.

Resolution of the Managing Committee of 9-6-1939

"This committee disapproves of the draft rule 6 (B) published in the Gazette dated 27-4-1939"

I have the honour to be,
Sir,
Your most obedient servant,

D. Rajanipathi Rau

Honorary Secretary

GBI.

Chamarajapuram Co-operative Stores, Limited, Mysore.

IN REPLY PLEASE
QUOTE NO.....

Dated.....193

Statement referred to in the Report regarding elections to the Directorate

Year	Old Members	New members	
1929- 30	11	4	Before Byelaw amendment.
1930- 31	11	4	
1931- 32	10	5	
1932- 33	7	8	The period when the byelaw under which 4 persons of longest service were ineligible.
1933- 34	7	8	
1934- 35	6	9	
1935- 36	7	8	
1936- 37	7	8	
1937- 38	7	8	
1938- 39	3	12	This large change is due to the effect of the new rules 6 (C) and 6 (d)

GBI.

CS 14.38-38

THE CENTRAL PADDY CO-OPERATIVE SOCIETY LTD.,

MYSORE.

GEN. & REVENUE SECRETARIAT. 2595 JUNE 1939 DEVELOPMENT BRANCH.

No. 270.

To

The Secretary to Government,
Local Self Government Department,
Government of Mysore, BANGALORE.

GENERAL SECRETARY 27 JUNE 1939 CS

Dear Sir,

The Board of Directors of the Central Paddy Co-operative Society Ltd., Mysore, have passed the following resolution opposing the draft amendment to Rule 6(b) published in the Mysore Gazette dated 27-4-1939.

> "The Draft Rule is not conducive to the successful working of Co-operative Institutions. Hence this may be opposed. The Honorary Secretary will draft a letter embodying the reasons for the objections and forward it to the Government with in the time prescribed".

Though much could be written to show how the proposed rule is opposed both to the theory and practice of co-operation, we confine ourselves to a few salient points only. The principle involved in this rule is discussed in one of the most authoritative and recent books on Co-operation, written not by one author but prepared by a group of more than ten of the foremost co-operators of the British Isles including Dr. Fay, one of the leading authorities on Co-operation. The book is called "Consumers Co-operation in Great Britain" 1938 Edition. A few sentences from that book are quoted below to support the position we have taken that repeated election of

160

committee members is not wrong, on principles but it is on the other hand in consonance with the prevailing practice, even in the cradle of Co-operation - England. The quotations referred to are:-

1 "In general, there is a ~~theory~~ very considerable continuity of tenure for members of Co-operative committees. It is unusual for a retiring member not to be re-elected, or for a large change in the committee to result from an electoral swing". Page 258.

2 "The retiring candidate is however, usually, but not invariably returned". Page 257.

3 "In the small societies members of the committee are automatically re-elected after each term of office, and are very rarely opposed."

These passages disclose that the same set of committee men work for long periods, and that even when there is a change in the committee that it would not be 'large'.

The tendency among our share holders however is to change the personal of the committee to some extent at each election. It cannot be said that the same set of people continue year after year on the committee of any society, especially in urban areas. A reference to the records of any urban society will show the truth of this statement. If the Government should insist that five out of the fifteen committee men who have been longest on the

committee should retire, in practice it happens that some amongst those who offer for re-election are also eliminated. It also happens that under the new rules some committee members may not be eligible to stand for re-election, for default or otherwise. Thus the effect of the new rules will be to eliminate from each committee about half or more than half the number of the previous committee men. We support this statement by statistics later on.

Certain societies in Mysore city had a bye-law similar to the proposed rule 6(B). They changed the rule after some time as it was found to be disadvantageous. In one of such societies a bye-law analogous to the draft rule 6(b) was passed in the year 1933. We observe, however, that even before the introduction of the new bye-law, nearly one-fourth to one-third were eliminated in the election. Of the persons who were on the committee in 1929-30, four were eliminated in the ensuing election. In the election of 1931-32, five new persons were elected one of whom was the gentleman who was on the Committee of 1929-30, but was not re-elected in 1930-31. During the three years when the new bye-law of the society was in force, the position of the committee members was thus:-

1932-33	7 previous members only	8 new.
1933-34	7 "	8 "
1934-35	6 "	9 "

Though under the bye-law out of the fifteen

102

committee men only four who ~~are~~ were for the longest period had to retire many amongst the rest also were not re-elected. That bye-law was therefore changed in 1935-36s so as to eliminate five of the committee men who secured the least number of votes instead of those who were on the committee for the longest period. In 1935-36 only 7 of the previous committee were elected so also 7 in 1936-37 and in 1937-38 again 7, and in 1938-39 on account of the rule of multiple membership only three of the old committee were elected. A statement is herewith appended incorporating these figures in a tabular form.

We thus see ~~from~~ that many more than the number that are compulsorily retirable are eliminated in the elections. In this society which we have taken for illustration we further observe that for the last seven years members that are re-elected are in the minority and the fresh men are in the majority. But this repeated change of the committee men has not been conducive to the efficiency or progress of that society. On the other hand for the last three years its capital has been almost at the same figure of about 3¾ lakhs nd it has been unable even to declare a dividend of 3 1/8 % without the help of the accumulated funds of the past years.

Radical change of the personnel of the committee leads to the break of the continuity of policy. New policies and experiments tried afresh year after year increase the working expenses as well as arrest development. Many societies are not in a position to bear the strain of such considerable expenses. Efficiency is often measured by the surplus that is saved

from the business and when the Society does not yield sufficient surplus to pay dividend not even at the rate at which interest is paid on fixed deposits, fresh capital will be shy to flow in and the accumulated capital will slowly reduce its itself and gradually a crash will follow.

Ours is a marketting Society of agricultural produces - a new experiemnt that is still in its infancy. We have scarcely 80 members and many of whom are moffusil. It is all we can do to get a qurum at the General Meetings. If a ruleshould be passed that five out of the existing committee members should be ineligible for re-election it will be difficult to form a Board of Directors at all.

Regarding the provision of of securing an order of exemption from the Registrar, our experience shows that many people decline to apply for such an exemption. A few years back when a rule was passed prohibiting the Government Servants from working on the Managing Committees, wihtout the premission of the Registrar very many persons who would have been ahelpful to the societies declined to apply for permission. Even now there are some who even decline to give in writing their assent to stand as candidates for election. Under these circumatances, it cannot be believed that the provision made in the rulevesting power of discretion to the Registrar to exempt any one from the operation of the rule will not in practice be helpful to the institutions.

It is notorious that the majority of members of Co-operative Societies do not actively parcipate either in the meetings or in scrutinying the work of the Societies-

It is said that even in England which is a democratic and free country, only two percent of the members attend the General Meetings. The position with us is similar. This small minority who interest themselves are described as "The selp appointed representatives of the Shareholders", out of whom only the committee men are generally elected. Any disability that is erected under rules for standing as candidates to the committee will further reduce the field of selection which is not healthy. The young generally take care to see that the older elements are removed from their way by strenuous and repeated attempts to secure places for themselves. In any free contest between the old and young, the latter with their growing strength in supporters and sympathisers will finally succeed in replacing the older people whose circle of supporters and sympathisers gradually dwindle year after year. The past history of many societies show how committee men who were considered to be the leading Stalwarts of their time, remain now unknown and uncared for by the succeeding group of members. It is not time that the Societies have many members on their committees for very long time. It is therefore best to leave the choice of committee men freely to the members of the Societies, making provision, as a matter of compromise, for a certain member of fresh men to enter the committee each year - the details of the devise to be employed by the Societies being left to the choice of the members of the respective Societies.

While discussing the subject of Urban Co-operative movement in Madras, the members of the Co-

105

operative Enquiry Committee of Madras, in their sittings at Coimbatore, have come upto certain resolutions, which bear on the subject matter of rule 6 (B). The resolutions are all published in the "Hindu" of Madras in the issue of 16-6-1939. The third resolution is as follows so far as our point is concerned.

" The term of office of the directors shall be three years and the retiring Directors shall ordinarily be eligible for re-elections but it shall be open to the Society to bar re-election for a specified period."

Thus, their idea is that a director who is once elected should be undisturbed for three years, and may stand again for reelection, unless the byelaws of the Society prohibit him.

The existing rule 6 (B) is similar to this resolution except in that it makes it obligatory for a director to offer himself for re-election once every year.

Therefore we are of the opinion that no amendment to rule 6 (B) is necessary.

I have the honour to be,

Sir,

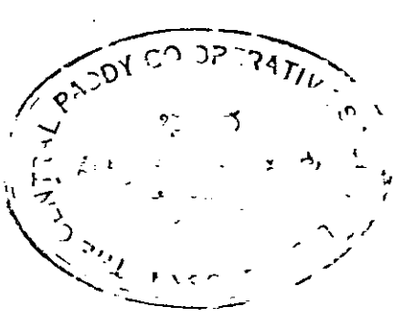
Your most obedient servant,

Honorary Secretary

25-6-39

Schedule referred to in page 4

Year	New Members	Old Members	
1929- 30	4	11	Prior to the introduction of new rule.
1930- 31	4	11	
1931- 32	5	10	
1932- 33	8	7	During the years when four who were longest on the committee compulsorily retired.
1933- 34	8	7	
1934- 35	9	6	
1935- 36 .	8	7	When the new rule eliminating five who got the least number of votes retired.
1936- 37	8	7	
1937- 38	8	7	
1938- 39	12	3	P.S. New rule 6 (c) and 6 (d) prevented some members of the previous committee from offering for re-election.



Yours in adjn
Hon Sec
2-5-6-39

Cs 14-38-39

K. SRIKANTAYYA.
PENSIONER & EX-SECY.,
CENTRAL BANK

7597
DEVELOPMENT DEPT.

"DHRUVA"
V. 73. CHAMARAJAPET.
BANGALORE CITY 24th June 1939.

The Secretary to the Government of His Highness

the Maharaja of Mysore, Local Self Department,

Bangalore.

GENERAL SECRETARY
27 JUNE 1939

Sir,

With reference to Govt. Notn. No.D9189-C.S.14-38-23 dated the 19-24th April '39 published at page 96, Part IV of the Mysore Gazette of the 27th idem, calling for suggestions or objections to draft amendment to Rule 6 (B) regarding the appointment of members to the Committees of Management of Co-operative Societies at District Head Quarters, I beg leave to submit as follows:-

1. The Co-operative Movement was introduced into the State nearly 35 years ago as a purely democratic undertaking.

2. As years passed, the facilities graciously afforded by Government helped the Movement to make good progress, particularly in urban area even without elaborate rules of a binding character.

3. Till 1933, there were no separate Election Rules & individual Co-operative Institutions in urban areas had their own Bye-Laws governing election of members to the Committee of Management in a general way. Nevertheless, there had not been a single dispute filed by any member against any Society & work was going on quite smoothly.

4. It was only in 1933, one of the members of the Bangalore Central Co-operative Bank taking advantage of the Provisions under Sec. 43 (A) of the Mysore Co-operative Societies Act, but not anticipating later developments, filed for the 1st time the Election Dispute in the Court of the Registrar, got the election cancelled & finally succeeded in securing a seat on the Board of Management of that Bank.

5, The Election Dispute Ball which was then set rolling has been pursuing the originator of the dispute with such full force that there has already been more than one dispute to the serious detriment to the well-being of the Institution.

6. Subsequent to the Election dispute in 1933, a set of simple Election Rules was issued for the guidance of Co-operative Institutions.

7. These Rules have subsequently undergone more than one modification curtailing freedom to Institutions to frame their own Bye-laws accordding to circumstances but vesting the Department with wide power of interference even in the Election & Formation of the Board.

In matters relating to administration of affairs of Co-operative Institutions, particularly in District Head Quarters where there admittedly any number of intelligent, influential & capable workers, it seems desirable in the best interests of the Movement, to allow healthy conventions crystalizing later on into Rules of a general character for the Institutions concerned.

8. The need for a change in the personnel of the Management of the Central Bank at reasonable intervals having been felt, three sets of amendments to the Bye-laws of that Bank relating to the Election of Members to the Board of Management providing at the same time for the compulsory elimination of at least 2/3rds of the total number of Members on the Board & for the election of new

K. SRIKANTAYYA.
PENSIONER & EX-SECY
CENTRAL BANK

"DHRUVA"
V. 73. CHAMARAJAPET.

108

BANGALORE CITY 24th June 1939.

new members in their places who have not served thereon during the three years immediately preceding the election were proposed for the consideration of the General Meeting of the Bank. Thus a member who was eliminated as above in a particular year would not be eligible for re-election for 3 succeeding years. The proposed amendment afforded scope for the unfettered introduction of a large number of new members to the Board of Management at each annual general election.

9. The 3 sets of amendments referred to above could not be thoroughly discussed at the Extra-Ordinary General Meeting of the Central Bank held on the 23rd July last which was hurriedly concluded as soon as the sad news of the demise of Sir K.P.P.Puttanna Chetty, the former President of the Bank reached the Meeting.

However, a Bye-law providing for the elimination of 1/3rd of the total number of members forming the Board was passed. That is the Bye-law which now governs the formation of the Board of Management of the Central Bank.

10. The present Draft Rule referred to in the Notn. of 24th April last so far as it relates to the compulsory elimination of a certain proportion of the total number of members forming the Board who have been the longest in office since their last entry to the Board may prove beneficial to the institutions concerned & may also effectively prevent any particular set of Directors from successfully manoeuvering to stick to the institutions all their life-time without even thinking of making room for eligible new set of enthusistic members to take up the management.

But this wholesome measure is rendered quite ineffectual by the exception provided for in para 2 of the same Rule empowering the Registrar to permit all or any of the retiring members to stand for re-election.

This exception is likely to justify the inference that the amendment to the Rule is not meant for general application but intended for a particular set of persons of a particular institution or institutions. The exception provided in para 2 may also actively encourage factious spirit among the Board of Directors to the serious inconvenience of institutions instead of developing "esprit de corps" among the Board members & allowing the institutions to thrive. On the Board of Management there will thus be at least two sets of Directors, one set - the Registrar's nominees; the 2nd set- share-holders' nominees, tho' all the Directors happen to be elected at the General Meeting of the Bank.. The Instituion having a Board of this type ceases to be an unalloyed Co-operative Institution, but unconsciously transforms itself into a political organization in the garb of Co-operation. The scope for honest difference of opinion also vanishes but discontent comes into existence. The exception provided in para 2, if retained, does, I respectfully submit, more harm than good. Its wholesale deletion & the enforcement of the amended Rule 6 (B) in all societies & in all cases does no doubt have a salutory effect on the Institutions concerned.

The introduction of such a Rule with the exception just below after 35 years of useful existence of the Movement in the State may lead the outside public to conclude that the Movement in Mysore is yet in its primitive stage & persons interesting themselves in the management of such institutions are also far behind their brethren elsewhere.

The Registrar of Co-operative Societies in Mysore has already been pleased to exercise the discretion vested in him under Rule 6D in favour of Messrs. C.E.Rama Rao B.A., & M.S.Ramachandra Rao, B.A., B.L., Retired State Huzur Treasury Officer who is actively engaged in preparing a treatise on "Co-operation" & in bringing about

"amalgamation"

K. SRIKANTAYYA.
PENSIONER & EX-SECY.
CENTRAL BANK

"DHRUVA" 10 9
V. 73. CHAMARAJAPET.
BANGALORE CITY 24th June 19 39.

"amagamation" of the three Institutions.(Apex Bank, the Bangalore Central Co-operative Bank & the Central Land Mortgage Bank) & permitted the former to serve simulteneously on the Board of Management of so many as five Co-operative Institutions & the latter only in two Co-operative Institutions in this premier City of Bangalore.

The Amendment to Rule 6 (B) also lays down that "a retiring Director shall not be eligible for re-election." It is not known whether the "Ineligibility" for re-election provided in the amendment is a permanent "ineligibility" or "ineligibility for a specified time" If it be a permanent one, it deprives institutions of the benefit of valuable guidance of experienced & educated gentlemen & affects the Movement seriously.

11. The exemption from the operation of the Rule provided for in para 3 of the same Notification for 3 selected Institutions may indicate that other than those who are now running them, there will be none fit enough to take up the management of those Institutions. It is therefore better to eliminate the exception from the Rule altogether & have one Rule for all the Co-operative Institutions in District Head Quarters.

paragraphs 2&3

12. I respectfully beg to suggest for gracious consideration the following modified Rule in place of the existing Amendment to Rule 6(B)*& beseech the pardon of the Government for attempting to lay my views at their disposal.

*(last sentence)

Substitution of the sentence "A retiring member shall not be eligible for re-election for a period of three years from the date of retirement:" for "A retiring member shall not be eligible for re-election." and deletion of the last two paragrahs in the printed Notification.

I beg to remain,

Sir,

Your most obedient servant,

K. Srikantayya

C.S. 14-38-3540

THE MALLESWARAM CO-OPERATIVE BANK LIMITED.

Malleswaram, P. O.
(Bangalore.)

No. 3817
Encl

Dated 27th June 1939 19

The Secretary to the Government of
H.H. the Maharaja of Mysore,
Local Self Government Department,
B a n g a l o r e.

GENERAL SECRETARY.
27 JUNE 1939

C.S.

Sir,

With reference to your Notification No.D 9189-C.S.14-38-23, dated Bangalore 19-24th April 1939, calling for suggestions on the Draft Rules regarding the appointment of Members of Committees of Management of Co-operative Societies at District Head Quarters, we write to inform you that the Board of Management of our Bank considered the same at their meeting held recently.

The Board had submitted a representation to the Government in September 1937 on the draft of an amendment to the rule under reference, a copy of which representation is enclosed herewith for ready reference. When subsequently Rule 6 B, was amended by the Government to the present existing form, we felt gratified that our point of view had been met to some extent. Accordingly we amended the relative section in our Bye-laws as well. Our Bye-law in force based upon Rule 6 B runs as follows:-

"The management of the Bank shall vest in a Board consisting of twelve Directors elected at the General Meeting held after the close of the year, by voting by ballot, as per rules issued by Government under the Co-operative Societies Act, from among the members whose names have been on the Registers for six months and who are otherwise qualified to stand for election under the Mysore Co-operative Societies Act.

"Of the Directors elected, at least four persons should be those who have not served on the Directorate the immediately preceding year. Persons who have served longest continuously on the Directorate will vacate in favour of the newly elected persons, and as between two or more persons who have served continuously for an equal length of time, one who

secures a higher number of votes will be preferred for continuance."

The Board desire to reiterate that while they are in entire agreement with the principle that a certain proportion of new element should enter the Board at every fresh election (in fact this principle has been in force here in our Bank for quite a long time), the idea of disqualifying a member from serving on the Board merely because he has served longest on the Board appears to be a little too drastic. The Board are not able to agree with the view that a member becomes an 'undesirable' merely because he continues to command the confidence of the General Body unremittingly.

Our Board are of opinion that such a disqualification as the one proposed to be imposed under the new draft rule, may affect the continuity of the policy of the institution and consequently the efficiency of its Co-operative Service. In fact, an institution which transacts business based upon public confidence and credit has to foster public confidence to the maximum extant possible and this to a very large extent is dependent upon the continuity of policy which in turn is dependent upon the personnel of the Management.

We beg, therefore, to represent that the existing rule is all right and may be allowed to continue as it stands. Any amendment in the manner proposed, our Board apprehend, may act prejudicially to the best interests of our institution.

We beg to remain,
Sir,
Your most obedient servants,
For THE MALLESWARAM CO-OPERATIVE BANK, LIMITED

K. Devadas

MPN. HONORARY SECRETARY.

Enclosure to
Letter No. 3817 of 27th June 1939. 112

M. C. BANK, Ltd.

Copy of letter No.920/23rd September 1937.

With reference to your notification No.D 1176 C.S. 11-36-146 dated 3/4th August 1937, calling for suggestions on the draft rules regarding the appointment of members of Committees of Management of Co-operative Societies at District Headquarters, we write to inform you that the Board of Management of our Bank considered the same at their meeting held on the 19th instant.

The Board are in entire agreement with the principle that a certain proportion of new element should enter the Board at every fresh election and in fact this principle has been in force here for a fairly long time. As regards the procedure as to how best to achieve this object, the question has been examined by this Bank on several occasions and as a result of actual experience the following Bye-law nas been finally adopted here and is now in force.

" The management of the Bank shall vest in a Board consisting of twelve Directors, elected by voting by ballot as per rules framed by the Board for the conduct of Elections, at the General Meeting held on the Ganesha day from among the members whose names have been on the Registers at least for six months and who have previously intimated to the Directors their willingness to stand for Election atleast a week before the Ganesha Day or who have been duly proposed and seconded at the meeting and who at the time of election are not in default for three months provided that atleast four of these elected are persons who have not served on the Directorate the preceeding year. Persons who have served longest continuously on the Directorate will vacate in favour of the newly elected persons and as between two or more persons who might have served continuously for an equal length of time, one who secures a higher number of votes will be preferred for continuance."

The above Bye-law, while ensuring that atleast one-third of the Directorate will consist of new members, also provides a safeguard against the contingency of the experienced and eligible persons whose continuance would be necessary in the best interests of the institution and continuity of policy. The Bye-law has been found to work satisfactorily and we beg to recommend its provisions for the consideration of Government.

Cs 14-38-41

GEN. & RE- 7638
DEVELOPMENT 1/3

To

J. Appaji Gowda, Esq., B.A.,
General Secretary to
- the Government of Mysore, BANGALORE.

SECRETARY.
GE 29 JUNE 1939
Cs
29/6

Sir,

With regard to the Draft Rule, calling for opinion, re - the amendment of election rules, for election of Candidates to the Managing Committees of Co-Operative Societies in the Province, I beg to point out, that a similar draft was issued last year and the same formed the subject of debate in the Co-Operative Conference. The official year is coming to a close and the annual reports will be ready, in a couple of months. All Societies and Banks will hold their annual meetings in the month of August and September, to discuss their annual reports and elect office bearers.

These annual gatherings of Societies afford best opportunities for considering and recording definite opinions, on important and far reaching amendments, that affect the constitution of Societies and Banks.

The annual Co-Operative Conference that meets in the Dasara season in Mysore is the competent authority to offer a decided opinion on matters of such an important nature.

However, though the time for asking for opinion is not opportune, I venture to suggest as I had already suggested last year to the Government and also moved a resolution at the last year's Conference, that there should be no disability for any honest Co-Operator to offer himself for election to the Board of Management.

114

The electorate is the sole authority and their discretion should on no account, be fettered.

The Directors should all retire, whether seniors or not and all of them, should be eligible for -- election to ensure continuity of policy and safeguard the vested interests of share-holders, depositors, etc.

I will also suggest that elections instead of being annual, may be held once in 3 years, just as they do in Representative Assembly and the Legislative Council.

It is the office-bearers that have to be -- changed periodically and not the Directors who have no authority individually to do anything.

The President and the Secretary are important Officers in a Society and it will be advisable to change them, at stated intervals.

Societies are autonomous bodies and do not flourish under frequent interference or too much control.

I beg to remain,
Sir,
Your obedient Servant,

Ramachandra

Journalist & Director of Housing Society, Ltd. etc

Bangalore
27-6-1939.

CS 14-38-42

7641

From

C. E. Rama Rao, Esq., B.A.,
Retired Registrar,
General and Revenue Secretariat,
54, Shankaramutt Road,
Shankarapuram,
Basavangudi P.O.
Bangalore.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
General Department, Bangalore.

GENERAL SECRETARY
28 JUNE 193[illegible]r,

Re: Draft Amendment of Rule 6 (B) of the Mysore Co-operative Societies' Rules.

With reference to Notification No.D.9189/C.S. 14-38-23 dated the 19/24th April 1939 published in the Mysore Gazette dated the 27th idem inviting suggestions or objections to the draft amendment of the Rule referred to above, I beg to state as follows:-

2. The retirement of the members of the Committee of Management by rotation is a well recognised principle and there can hardly be any serious objection to the incorporation of such a principle in the Rules.

3. In a co-operative society, every member, irrespective of the number of shares held by him is entitled to serve on its committee of management if he is elected thereto by the general body. In many of the urban societies, the same members are elected and re-elected and they continue on the committee for excessively long periods thereby giving no opportunities to other willing and disinterested members for getting elected to the committees.

4 It may be argued that the very fact that these members are continuously elected shows that the general body has the greatest confidence in their ability and

and management and elects the same members to ensure the advantage of experience and some continuity of policy, but I venture to submit that the general body does so without knowing what others could do if elected, and it is a matter of common knowledge that the election is generally manoeuvred, directly or indirectly by the members in office. The continuity of policy should be ensured only by a suitable provision in the byelaws or subsidiary rules passed by the general body and should not be left to individual members however experienced they may be. It will also be noticed that the argument loses much of its force inasmuch as the draft amendment, while not prohibiting all the members of the old committee from being elected to the new committee, gives not only ample room for the election of a fairly decent number of old members to the new committee, but also keeps open to the few prohibited members all chances of being ~~rek~~ re-elected at the end of one year.

5. There is a rule in Bihar and Orissa to the effect that a person who has served on the committee for three years cannot be elected to the committee again without the sanction of the Registrar. The principle underlying such a prohibition has been recognised in Mysore in the existing rule 6 A according to which a person shall not be the secretary of a society continuously for more than three years. Is this not considered to be an equitable rule? Has it worked any havoc any where by preventing a person from serving his society as secretary, thereby making the society lose the benefit of his services, experience and ability? As far as I am aware, there has been no instance of any society coming to grief owing to the operation of Rule 6 A.

17

6. The present Rule 6 B is in fact an extension, of the principle enunciated in Rule 6 A, to the members of the committee but in a more equitable manner. It is however not desirable or just or reasonable that persons who have served on the committee and retire as per rule should be prohibited from standing for re-election as that would deprive them of the right which the law confers on them. It is all the more necessary to continue this privilege as, in cases in which a sufficient number of candidates do not offer themselves for election prior to the annual meeting, as required by the rules, and the senior-most members of the old committee are prevented from standing as candidates as proposed in the draft rule, there will be a necessity for a fresh election, perhaps with avoidable expenditure, after the requisite sanction from the Registrar is obtained for the senior-most members to stand for election. If however these are not debarred from standing for election, there is less necessity for another election inasmuch as if they are re-elected, the requisite sanction could be obtained.

7. The earlier portion of the second sentence of the first paragraph of the draft rule ensures the retirement of <u>at least one-third</u> of the members of the committee, whereas its alternative stipulates the number <u>nearest to one-third</u> for retirement, thereby giving a possibility of the retirement of a number <u>less than one-third</u> in certain cases. This contradiction could not have apparently been intended and it is also necessary to take the next higher number as the alternative or better still to omit the alternative altogether as the words "<u>at least</u>" in the earlier portion will not only necessitate the next higher number being taken where fractions are involved but

118

but also allow of retirement of a much higher fraction than one-third of the members if any society prefers to do so.

8. Though I welcome the amendment to the Rule and the benevolent intentions of Government in the matter, I humbly submit that the phraseology of the first paragraph of the draft rule requires considerable improvement to make the sense clear and explicit and I beg to suggest that the Rule may be recast as follows:-

'Rule 6 B (1). The management of every society situated at District Head-quarters shall vest in a committee consisting of not less than five and not more than fifteen members as shall be specified in the bye-laws of the society and they shall be elected annually in accordance with the rules framed by Government for the conduct of elections to the committees of management of societies.

(2) In cases in which the bye-laws of societies provide for the appointment of office bearers in the committee itself, the committee shall be elected by the general body in the first instance and the office bearers elected subsequently from among the members of the committee by the general body or the committee as shall be specified in the byelaws.

(3) At the general meeting at which the elections are held all the members of the committee shall retire but shall be eligible to stand as candidates for election.

(4) At the elections so held, such number of the retiring members as shall be specified in the bye-laws, which shall be at least one-third of the total number of members of the committee, shall, if elected, be ineligible to be on the new committee. The persons who could not thus be on the new committee shall be those who have been on the committee continuously for the longest periods since their last elections or appointment,

C&R.

119

and as between members of equal standing the persons who cease to continue in office shall be determined by lot. The names of persons who are ineligible to serve on the new committee under this clause shall be determined and announced before the general body by the Chairman of the meeting before the votes are counted by the Tellers.

(5) The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring members to stand for re-election.

(6) Nothing in this rule shall apply to the Apex Bank, the Central Land Mortgage Bank, and the Mysore Co-operative Institute and to any other Co-operative Institution which may be exempted by Government from the operation of this Rule."

I beg to remain,
Sir,
Your most obedient servant,

C. E. Ramaraw

Bangalore,)
27th June 1939)

C.S. 14-38-43.

THE CO-OPERATIVE FEDERAL UNION, LTD., MYSORE.

(Regd. No. 422 A.R.M Dated 10-1-34)

120

IN REPLY PLEASE QUOTE
NO. 389

MYSORE.

Dated 23rd June, 1939.

From

THE HONORARY SECRETARY.
Co-operative Federal Union Ltd.,
MYSORE.

GEN. & P. DEPT. 7647 DEVELOPMENT

The Secretary to Government,
Local Self Government Department,
Government of Mysore,
BANGALORE.

GENERAL SECRETARIAT
30 JUNE 1939
CS

Dear Sir,

With respect to Draft Rule 6 (b) published in the Mysore Gazette dated 27-4-1939 proposing to amend Draft Rule 6 (b) now in force, the Managing Committee of the Co-operative Federal Union Ltd., Mysore, has passed, at their meeting held on 17-6-1939, the following resolution.

> "The Draft amendment (published in the Gazette dated 27-4-1939) is opposed by five against one, as the existing rule 6 (b) is sufficient to meet all the requirements".

The Federal Union is an advisory body registered under the Co-operative Regulation, membership of which is open only to the Societies with in the city of Mysore. At present the following societies are

THE CO-OPERATIVE FEDERAL UNION, LTD., MYSORE.

(Regd. No. 422 A.R.M. Dated 10-1-34)

IN REPLY PLEASE QUOTE
NO. .....

MYSORE, 12/

Dated 23rd June, *1939* .

its members:-

1 The Mysore Co-operative Society Ltd.
2 The City Co-operative Bank Ltd.
3 The Graduates' Co-operative Society Ltd.,
4 Sri Krishnarajendra Co-operative Society Ltd.
5 The Chamarajapuram Co-operative Stores Ltd.
6 Sri Kanyakaparameswari Co-operative Society Ltd.
7 The Co-operative Housing Society Ltd.
8 The Khaddar Co-operative Society Ltd.
9 Sri Jayachamarajendra Co-operative Society Ltd.
10 The Co-operative Staff Association Ltd.

In the opinion of the Committee a hard and fast rule that members who have been longest on the Committee should retire is harmful and the discretion now given to individual societies to decide which one-third of the members on the previous committee should retire is sufficient.

I beg to remain,
Sir,
Your most obedient servant,

Hon. Secretary.

HRS.

Recd today
7.7.39

THE BANGALORE CITY CO-OPERATIVE HOUSING SOCIETY, LTD.,

NO. 1, HARDINGE ROAD, CHAMARAJAPET,

BANGALORE CITY.

No. 32 Dated 7th July 1939

Dear Sir,

The following members of the several Co-operative Societies wish to interview the Second Member of Council and place before him their views on the amendment proposed to Rule 6-B of the Mysore Co-operative Act VII of 1918, published in the Mysore Gazette dated 27th April 1939. They desire also to submit their representation regarding the grant of a loan by Government to the House Building Society at a lower rate of interest.

1. E.N. Natesan, Esq., B.A.,
   President, Malleswaram Co-operative Society, Ltd.
2. B. Vasudeva Murthy, Esq., B.A., LL.B.,
   Chairman, Bangalore City Co-operative Society, Ltd.
3. Y. Narasinga Rao, Esq., B.A., B.L.,
   Member, Committee of Management, City Co-operative Society, Ltd.
4. C.N. Narasinga Rao, Esq., B.A., B.L.,
   Director, Bangalore City Co-operative Housing Society, Ltd.
5. B. Puttaiya, Esq., B.A.,
   Honorary Secretary, Bangalore City Co-operative Housing Society, Ltd.

May I therefore request you to consult the convenience of the Member and arrange for an interview at an early date ?

Thanking you,

Yours Sincerely,

B. Puttaiya

Honorary Secretary.

Subs
If agreed, 4 P.M on Friday the 14th instant or 2 P.M on Monday the 31st July

4/s

N.V. Sundaram, Esq., B.A.,
Personal Assistant to the II Member of Council,
Bangalore.

7.7.39

No. 32

Working Address)
P.A. to the Member
in Council.

N. V. Sundaram, Esq., B. A.,
Personal Assistant to the
II Member of Council,
Bangalore

OFFICE OF THE SECOND MEMBER
OF COUNCIL 29

No. M. 7/39-40. Dt. 7/7/39.

Issued
7/7/39

Submitted. for appl.

Dear Sir,

With reference to
~~the enclosed acknowledgement receipt~~
of your letter no 32 dated 7th July 1939, I am desired to inform you that the Second member of Council will be glad to receive your deputation at 2 P.M. on Monday the 31st July 1939 in his Chambers in the Public Offices, Bangalore.

Yours Sincerely

P. A.

B. Puttaiya Esq B.A.
Hony Secretary,
The Bangalore City Cooperative
Housing Society, Ltd
No 1. Hardinge Road,
Chamarajpet.
Bangalore City

Gj 14-38-44

THE MADRAS JOURNAL OF CO-OPERATION

R. C. No. 6/39-40.

Office of the
Madras Provincial Co-operative Union,
ROYAPETTAH,

Madras, 31st August 1939.

GENERAL SEC.
2 SEP. 1939

C.S.

The General Secretary
to the Government of Mysore,
Bangalore.

GEN. & REV. SECTT.
2 SEP. 1939
FOREST BRANCH.

Sir,

I have much pleasure in inviting your attention to page 66 of the August issue of the "Madras Journal of Co-operation" wherein the draft Rule 6 (B) published in the 'Mysore Gazette' on 27-4-1939, has been commented upon in an editorial note. Your attention is also drawn to Mr.Y. Sreenivasaiya's article on the above subject appearing in pages 85 to 90 of the same number.

A copy of the August issue is sent to you by separate post.

Yours faithfully,

V. Venkatarangaiya

Editor.

A Statement containing those who have supported or opposed the amendment

Against

1) The Bangalore Central Co-operative Bank
2) The Bangalore City Housing Society
3) The Bhramarambapuram Co-op. Store
4) The Central Paddy Co-operative Society Mysore
5) ~~Mr. H. Siddaiah~~
6) Malleswaram Co-operative Bank
7) The Shimoga Co-operative Bank
8) Mr. K. Narayana Setty of Mangalore
9) The City Co-operative Bank Mysore
10) Nanjangud Town Building Society Limited
11) Mr. G. Linganna Mysore
12) The Bangalore City Co-op. Society
13) Mr. V.S. Srinivasa Rao
14) The Co-operative Federal Union Mysore

The City Co-op. Bank suggests an alternative amendment

For

1) The Co-operative Stores Association Mysore
2) Mr. S. Nanjundaiah of the B'lore City Housing Society
3) Mr. K. Siddaramaiah
4) Mr. N. Madhavachar
5) The Mysore Co-operative Sugars
6) Mr. C.E. Devanadan - (Supports a recasting of the whole rule.)

Statement "Certaining the rule as published in the draft stage and as finaly adopted

C
Draft rule
No. D 1176 C.S. 11-36-146 dated 4-8-37

The management of every society situated at District Head Quarters shall vest in a Committee Consisting of not more than fifteen and not less than five members who shall be elected in accordance with such rules as may be provided under the byelaws of the society subject to the condition that at the election so held three persons who have been members of the Committee previously for the longest period shall not be eligible for re-election.

The Registrar may in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist permit all the retiring directors to stand for re-election.

Final rule

NOTIFICATION.

No. D. 6990—C. S. 11-36-253, dated Bangalore, the 30th March 1938.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule regarding the appointment of members of the Committee of Management of Co-operative Societies at District Headquarters.

Rule 6. B.— The management of every society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen elected in accordance with the bye-laws of the society. Such bye-laws shall make provision to ensure that not less than one-third of the total number of members of the Committee shall be persons who have not served at any time during the previous years on the Committee of Management.

The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring directors to stand for re-election.

Nothing in this rule shall apply to the Apex Bank, the Central Land Mortgage Bank and the Mysore Co-operative Institute and to any other Co-operative Institution which may be exempted by Government from the operation of this rule

Final after further corrections

NOTIFICATION.

No. D. 1119—C. S. 11-36-282, dated Bangalore, the 13th August 1938.

Addenda.

Add the word "annually" after the words "elected" in line 4 of Rule 6-B of the rules under the Mysore Co-operative Societies Act published with Notification No. D. 8383—C. S. 11-36-258, dated 29th April 1938.

The Rule with the addition will read as follows :—

Rule 6-B.—The management of every society situated at District Headquarters shall vest in a committee consisting of not less than five and not more than fifteen members elected annually in accordance with the bye-laws of the society. Such bye-laws shall make provision to ensure that not less than one-third of the total number of members of the Committee shall be persons who have not served at any time during the previous year on the Committee of Management.

The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring directors to stand for re-election.

Nothing in this rule shall apply to the Apex Bank, the Central Land Mortgage Bank and the Mysore Co-operative Institute and to any other Co-operative Institution which may be exempted by Government from the operation of this rule.

Statement Containing Rule 6 B as it is and as it is proposed to be amended

Existing

The Management of every society situated at District Head Quarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the byelaws of the Society. Such byelaws shall make provision to ensure that not less than one third of the total number of members of the committee shall be persons who have not served at any time during the previous year on the Committee of management.

The Registrar may in the case of any society in which he considers that facilities for the enforcement of the restriction do not exist permit all or any of the retiring directors to stand for re-election.

Nothing in this rule shall apply to the Apex Bank the Central Cooperative Land Mortgage Bank and the Mysore Cooperative Institute and to any other Cooperative institution which may be exempted by Govt from the operation of this rule.

Proposed

The management of every society situated at District Head quarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the byelaws of the Society and the Rules framed by Government for the conduct of elections. Such byelaws shall make provision to ensure that at the elections so held persons to the extent of at least a third of the number fixed for the Committee who have been members of the Committee Consecutively for the longest periods immediately preceding the election without any break for one year and more shall not be eligible for re-election and as between two candidates who have been on the Committee for equal duration as specified above the candidate to be eliminated shall be determined by lot

The Registrar may in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist permit all or any of the retiring Directors to stand for re elections.

Nothing in this rule shall apply to the Apex Bank the Central Land mortgage Bank and the Mysore Cooperative Institute and to any other Cooperative institution which may be exempted by Government from the operation of this rule

Appendix F G—1]

SUBJECT 1-4

.....

.....

Section 6.9.

File No. 14-38

Serial No. 51

No. A 7 52 42

Diary No. of letter replied to..... .....

To The Registrar of Cs

Sir I am directed to invite reference to this office memorandum D 9190/ G.S. 14-38 dated 24-4-39 forwarding a copy of notification No D 9189/ G.S. 14-38-23 dated 24-4-39 publishing the draft amendment to Rule 6 B of the Rules under the Madras Cooperative Societies Act re the retirement of directors of cooperative societies by rotation and to state that in view of the objection to the proposed amendment, the question may lie over for the present

I have etc

for 30/4

Z Finlay

General and Revenue Secretariat

( )

the 193 .

Date of issue 2-4-40

Signed by MM H N. Urs.

List of enclosures.... ....

Copied by.. 1/5/40

Examined by.....

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. A 75242 / CS 14-38-51

Dated, Bangalore, 2nd April 1940.

From

The General Secretary to the Government of His Highness the Maharaja of Mysore.

To

The Registrar of Co-operative Societies in Mysore, Bangalore.

Sir,

I am directed to invite reference to this office memo No. D9190/C.S.14-38 dated 24th April 1939 forwarding a copy of notification No. D9189/C.S. 14-38-23 dated 24th April 1939 publishing the draft amendment to rule 6B of the Rules under the Mysore Co-operative Societies Act regarding the retirement of directors of Co-operative Societies by rotation and to state that in view of the opposition to the proposed amendment, it may lie over for the present.

I have the honour to be,

Sir,

Your most obedient servant,

Hamid Can Rajkhan

for General Secretary to Government.

1/4/40

Als.3